

**UTILITIES DISTRICT OF
WESTERN INDIANA**

Rural

Electric

Membership

Corporation

BYLAWS

Revised June 2024



Utilities District of Western Indiana REMC

Mission Statement:

To provide our members with electricity and quality, efficient services, while maintaining a financially healthy and rate competitive position in the industry through teamwork, mutual respect and an on-going commitment to our members.

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BYLAWS

UTILITIES DISTRICT OF WESTERN INDIANA RURAL ELECTRIC MEMBERSHIP COOPERATIVE

ARTICLE I

MEMBERSHIP

Section 1. Conditions of Membership

Any person, firm, association, partnership, federal or state agency, corporation or body politic shall automatically become a member in the Utilities District of Western Indiana Rural Electric Membership Corporation, hereinafter called the "Cooperative," upon the receipt of electrical service from the Cooperative, provided that the applicant has first:

- a. made a written application for membership;
- b. agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c. agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and the Rules and Regulations as adopted by the Board of Directors of the Cooperative and the Indiana Utility Regulatory Commission;
- d. paid the membership fee.

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.

When the Board of Directors shall require a supplemental contract as a condition of providing electric service, a form provided by the Cooperative shall be executed by the applicant and the contract, together with any service security deposit, facilities extension deposit or contribution in aid of construction, shall be an additional condition of membership.

Section 2. Purchase of Electric Energy

The Board of Directors shall not permit the sale of electric energy from any service connection unless the purchaser of the energy files with the Board of Directors a written application for membership, has complied with the terms and conditions of the Bylaws of the Cooperative as well as the Rules and Regulations adopted by the Board of Directors of the Cooperative. Subject to state or federal laws or regulations, each applicant shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises referred to in the application for membership and shall pay a monthly rate which shall be fixed by resolution

of the Board of Directors. Each member shall pay all amounts owed by him to the Cooperative as they become due and payable.

Section 3. Membership Fees

a. The membership fee shall be fixed by the Board of Directors, payment of which, together with any supplemental contract, service security deposit, service connection fee, facilities extension deposit, contribution in aid of construction or any combination thereof required by the Cooperative, shall make the member eligible for all rights of membership. The whole or any part of any fee or deposit may be applied without notice to the account of the member.

b. The membership fee is refundable upon termination of membership, however, the membership fee shall not bear interest.

c. All refunds of membership fees shall go to the original payer, the personal representative of the deceased member's estate or a transferee upon submission of satisfactory evidence in writing by the transferee, i.e. an affidavit as prescribed by Ind. Code '29-1-8-1 et. seq. appointed under the Probate Laws of the State of Indiana.

Section 4. Joint Membership

A married couple, a partnership or other joint venture may apply for joint membership and, subject to their compliance with the requirements set forth in Article I, may be accepted for membership. The term "joint member" as used in these Bylaws shall include the married couple, a partnership or other joint venture holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally with respect to holders of joint membership. The holders of the joint membership shall have the following rights and obligations:

a. presence at a meeting of any representative of the joint member shall be regarded as the presence of one member and shall constitute a waiver of notice of the meeting;

b. vote of any representative of the joint member shall constitute a joint vote;

c. waiver of notice signed by any representative of the joint member shall constitute a joint waiver;

d. notice to any representative of the joint member shall constitute notice to both;

e. expulsion of any representative of the joint member may terminate the joint membership;

f. withdrawal of any representative of the joint member may terminate the joint membership;

- g. a representative of the joint member, if otherwise qualified, may be elected or appointed as an officer or board member;
- h. a joint member will be entitled to one vote on any matters submitted to a vote at a meeting of the members;
- i. a joint member will be entitled to one signature on any petition, including, but not limited to a petition to remove a director, nominate a candidate for director, or request a special meeting;
- j. on the death of either spouse of a joint membership, membership shall continue to be held solely by the survivor in the same manner and the same effect as though the membership had never been joint; provided that the estate of the deceased spouse shall not be released from any debts due to the Cooperative. In the event of a legal separation or divorce, unless otherwise ordered by a court of competent jurisdiction, the joint membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by the membership in the same manner and the same effect as though membership had never been joint; provided that the other spouse shall not be released from any debts due to the Cooperative.
- k. in the event that a partnership or joint venture holding a joint membership is dissolved, the joint membership shall be terminated; provided, however, the partnership or the joint venture shall not be released from any debts due to the Cooperative and the liability of the individual participants in the partnership or joint venture shall not be released. Upon such dissolution, the joint member shall designate which, if any, successor entities shall continue to be served by the Cooperative as if the membership had never been joint; provided that the other parties to the partnership or joint venture shall not be released from any debts due to the Cooperative for service prior to the dissolution of the joint membership.

Section 5. Term of Membership

Membership in the Cooperative and all rights, privileges and liabilities thereto shall continue as long as the member (a) purchases electric energy from the service connection designated in an application for membership and (b) complies with the terms and conditions of membership contained in the Bylaws of the Cooperative and Rules and Regulations adopted by the Board of Directors of the Cooperative.

Section 6. Conversion of Membership

A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by the holder and all other parties to the partnership or joint venture to comply with the Articles of Incorporation, the Bylaws of the Cooperative and Rules and Regulations adopted by the Board of Directors.

Section 7. Termination of Membership

A person's membership in the Cooperative shall be terminated under any one or more of the following conditions:

- a. a member ceases to purchase electric energy from the Cooperative;
- b. a member withdraws from membership upon the uniform terms and conditions as the Board of Directors may prescribe;
- c. a member is expelled by the affirmative vote of not less than two-thirds (2/3) of the Board of Directors for refusal or failure to comply with any of the provisions of the Articles of Incorporation, the Bylaws of the Cooperative and the Rules and Regulations of the Board of Directors of the Cooperative, but only if the member shall have been given written notice by the Cooperative that the refusal or failure makes a member subject to expulsion and the refusal or failure shall have continued for at least ten days after notice was given. Any expelled member may be reinstated by a majority vote of the Board of Directors or by a majority vote of the members at any annual or special meeting;
- d. upon death or cessation of existence of the member;
- e. in case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid, provided, however, that the Cooperative shall deduct from the amount of the membership fee any debts or obligations owed by the member or member's estate to the Cooperative.

Section 8. Power Distribution by Cooperative

The Cooperative shall use reasonably diligent efforts to furnish its members with adequate and dependable electric service and cannot and does not guarantee the continuous and non-interrupted supply of electricity.

Section 9. Wiring of Premises: Responsibility for Damaged Cooperative Property

Each member shall cause all premises receiving electric service pursuant to their membership to become and remain wired in accordance with the specifications on the National Electric Code and any applicable federal or state codes or local

government ordinances. The members shall be responsible for and shall indemnify the Cooperative and its employees, agents, and independent contractors against theft, injury, loss, or damage resulting from any defect in or improper use or maintenance of the premises and all wiring apparatus connected therein. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, on which to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative to authorize employees, agents, and independent contractors to have safe access to the premises free from interference by hostile sources for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair, or disconnection of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with the operation of or causing damage to such facilities, and shall use reasonable efforts to prevent others from so doing.

Section 10. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs

Each member, upon request by the Cooperative, shall execute and deliver to the Cooperative grants of easement or right-of-way over, on, and under such lands owned or leased by or mortgaged to the member in accordance with reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service or any other service to the member or for other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities, including the joint use or occupancy of the facilities by licensees or lessees of the Cooperative.

Each member shall participate in any required program that may be established by the Cooperative to enhance load management or to efficiently utilize or conserve energy or to conduct load research.

ARTICLE II

RIGHTS OF MEMBERS

Section 1. Property Interest of Members

Upon dissolution, after all debts and liabilities of the Cooperative have been paid and all capital furnished through patronage has 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 ten years next preceding the date of the filing of the certificate of dissolution.

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 individually liable or responsible for any debts or liabilities of the Cooperative.

Section 3. Rights of Members and Cooperative

Members shall have no individual or separate interests in the property or assets of the Cooperative except that every member shall be eligible for any patronage distribution which may be declared by the Board of Directors provided, however, that any capital available for distribution to a member shall first be applied against the member's indebtedness to the Cooperative.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting

The annual meeting of members shall be held annually at a time and place designated by the Board of Directors within the area served by the Cooperative, for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting other business as may come before the meeting. Failure to hold an annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. During a public health emergency declared by federal or state authorities (including without limitation the 2019 novel coronavirus outbreak (COVID-19)) attendance at the actual annual meeting will be limited to the Board itself and invited staff only and membership attendance will be limited to mail-in or electronic voting as provided for in these Bylaws.

Section 2. Special Meetings

A special meeting of the members may be called by the President, by resolution of the Board of directors, or upon a written request signed by at least five percent (5%) of the members and it shall thereupon be the duty of the Secretary to cause notice of the meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the territory served by the Cooperative specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings

Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail or electronically, by or at the direction of the Secretary, or the officers, or 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 the address as it appears on the records of the Cooperative, with postage prepaid. If transmitted electronically, the notice shall be deemed delivered when transmitted to the electronic mail address or other address provided by the member for electronic communications. 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 annual or special meeting.

Section 4. Quorum

a. Except as otherwise required by law, the Articles of Incorporation, or these Bylaws, at least two percent (2%) of the total number of members of the Cooperative:

- i. who are present in person at any meeting of members; or
- ii. who, in accordance with these Bylaws and any policies, rules or regulations adopted from time to time by the Board of Directors, cast votes before any meeting of members of which meeting notice shall have been given as provided herein;

shall constitute a quorum for the transaction of business at all meetings of the members; provided that if a majority of the members present at the meeting quorum is not established, may adjourn the meeting without further notice, provided that the Secretary shall notify any absent member of the time and place of the reconvened meeting.

b. In any meeting of the members to consider the disposition of all or substantially all of the assets of the Cooperative to an entity other than one organized under the Indiana REMC Act or Hoosier Energy REC, Inc., the quorum requirement shall be fifty percent (50%) of the membership.

Section 5. Voting

Each eligible member shall be entitled only to one vote on matters submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon presentation to the Cooperative,

prior to or upon registration at each member meeting, satisfactory evidence that the person representing the entity is authorized to vote.

At all meetings of the members, all questions shall be decided by the majority of members voting except as otherwise provided by law or by the Cooperative's Articles of Incorporation or by these Bylaws; provided, however, that if more than two (2) persons are running for election as a director from the same district, then the person receiving the most votes shall be elected. In the event of a tie vote, a second ballot shall be cast by members present in person at the meeting only as to matter in which there was a tie vote. If, after the second ballot, there remains a tie vote regarding the election of a director, the tied vote will be resolved by flip of a coin.

If early voting is authorized by the board of directors for a matter submitted to a vote at a meeting of the members, a Member may vote in person at the meeting or may cast a ballot provided by the Cooperative prior to the meeting in the manner and within the timeframe established by the Board and described on the early ballot. A Member submitting an early ballot may not revoke the early ballot and will not be entitled to vote at the meeting regarding a matter described in the early ballot.

If early voting is authorized by the board of directors for a matter submitted to a vote at a meeting of the members, the Cooperative shall make early ballots available to eligible members at least thirty (30) days before the meeting. The board of directors shall establish and communicate to members a deadline by which all mail-in and electronic ballots must be submitted. No early ballots will be accepted following the deadline established by the board of directors. Eligible members that do not timely submit an early ballot prior to the deadline and in the manner established by the board of directors may cast a ballot in person at the meeting. A Member's failure to receive an early ballot does not affect or invalidate a vote or action taken by other members. An early ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, an early ballot procured or cast through fraud or other improper means is invalid.

Members may not vote cumulatively or vote by proxy.

Section 6. Order of Business

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

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

Notwithstanding the foregoing, the Board of Directors or the members may establish a different order of business for the purpose of assuring the consideration of any item of business in advance of any other item of business. No action other than the adjournment of the meeting to another time and place may be transacted unless the existence of a quorum is first established.

Section 7. Election Committee

In the event there are any nominations by petition received and certified by the Secretary of the Board, according to Article IV, Section 3 of the Bylaws, it shall become necessary for the Board of Directors to appoint an Election Committee. The Board of Directors shall then at least ten (10) days before the meeting of the members appoint an Election Committee. The Committee shall consist of an uneven number of members, not less than three (3) nor more than seven (7), who are not Cooperative employees, agents, officers, directors or known candidates for directors, and who are not close relatives (as hereinafter defined) or members of the same household of Cooperative employees, agents, officers, directors or known candidates for director. In appointing the Committee, the Board shall consider the equitable representation of the areas served by the Cooperative. It shall be the responsibility of the Committee to oversee the counting of ballots and to pass upon any protest filed with respect to any election or conduct affecting the results of any election. In the exercise of its 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 in writing concerning any election, such protest or objection must be filed during or within three (3) business days following the adjournment of the meeting at which the voting is conducted. The Committee shall be reconvened not less than seven (7) days after the protest or

objection is filed. The Committee shall hear the evidence presented. Protestors or objectors may be heard in person, by counsel or both; and the Committee, by vote of the majority of those present and voting, shall, within a reasonable period of time, but less than thirty (30) days after the hearing, render a decision, the results of which may be to affirm the election, to change the outcome, or set it aside. The Committee's decision on all matters covered by this Section shall be final.

ARTICLE IV

DIRECTORS

Section 1. General Powers – District

The business and affairs of the Cooperative shall be directed by a Board of Directors composed of seven (7) members which shall exercise all of the powers of the Cooperative except as conferred upon or reserved to the members by law, the Articles of Incorporation or by these Bylaws.

In order that there shall be representation of all geographical areas served by the Cooperative, directors shall be nominated by districts, one director to serve from each district and each nominee shall have his principal residence in the respective districts. The districts of each director shall be reviewed, and if necessary, reapportioned every six (6) years within ninety (90) days after an annual member meeting beginning after the annual member meeting in the year 2018. Districts, as established by the Board of Directors, shall be posted in the principal office of the Cooperative and mailed to the members with the notice of meeting as provided by these Bylaws.

Section 2. Qualifications and Tenure

At the annual meeting of the members beginning with the year 2025, directors from Districts 2 and 6 shall be elected to serve a term of three (3) years. At the annual meeting of the members beginning with the year 2026, directors from Districts 1, 5 and 7 shall be elected to serve a term of three (3) years. At the annual meeting of the members beginning with the year 2027, directors from Districts 3 and 4 shall be elected to serve a term of three (3) years. At succeeding annual meetings thereafter, directors shall be elected for terms of three (3) years as their respective terms expire in rotation as hereinafter set forth. Without regard to term, all directors shall serve until their successors have been elected and qualified, subject to the

provisions of these Bylaws with respect to the removal of directors. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any reconvenement thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon as conveniently possible.

No person shall be eligible to become or remain a director of the Cooperative who does not have their principal residence in the area served by the Cooperative or who is a close relative of an incumbent director or an employee of the Cooperative, or who is employed by a competing enterprise or in the business of selling electric energy or supplies to the Cooperative.

Failure of an election for a given year shall allow the incumbents whose directorships would have been voted upon to hold over until the next member meeting at which a quorum is present.

Section 3. Nominations

Incumbent directors whose terms are expiring at the next annual meeting shall provide written notice to the Cooperative not less than one hundred twenty (120) days prior to the annual meeting whether they do or do not intend to stand for re-election. Failure to provide timely notice shall create a presumption that the incumbent does not intend to run for re-election. The Cooperative shall provide information about the method by which nominations may be made.

All persons, other than incumbent directors, desiring to be a candidate for the position of director must meet the qualification requirements set forth in this Article and use the petition process for becoming a candidate. Any fifty (50) or more members from that district from which a director is to be elected may make nominations for that district in writing, over their signatures, at least ninety (90) days prior to the meeting; and the Secretary shall post the notice of incumbent candidates and nominations by petition at the principal office of the Cooperative at least sixty (60) days before the meeting of the members. The board of directors shall approve a form of petition and the form of petition shall be available at the office of the Cooperative. Upon receipt of a timely filed petition, the Secretary of the Cooperative shall review the same and determine whether the candidate meets the qualification requirements set forth in this Article and whether the petition contains the required number of qualified member signatures. If the petition is properly completed and submitted, the Secretary shall certify the name of the candidate to the members at the annual meeting. If the petition is incomplete and time remains before the petition deadline, the incomplete petition

shall be returned to the candidate named in the petition with information about the matters that need to be corrected or supplemented. If no time remains to cure before the petition submission deadline, the petition shall be rejected.

No nominations for director shall be made from the floor at the annual meeting.

In the event there are no incumbents or petitions for a particular director seat, the board shall at its next regular meeting declare the seat vacant. Thereafter the Board of Directors shall appoint a director to fill the vacancy for the unexpired three year term.

The members may at any meeting at which a director or directors shall be removed, as provided by these Bylaws, elect a successor or successors without compliance with the provisions with respect to nominations.

Failure to comply with any of the provisions in this section shall not affect the validity of any election of directors.

Section 4. Removal of Directors or Officers by Members

A director may be removed for cause at any time by the members pursuant to the procedure specified in this Section. Any member may bring charges specifying the causes for removal against the director by filing the charges in writing with the Secretary together with petitions signed by twenty-five percent (25%) of the Cooperative's members who request the removal of the director. The petition shall contain the specific charges of misconduct and the signature and address of each member on the petition.

The removal issue shall be considered at the next regular or special meeting of the members. Directors who are not subject to the removal petition shall determine if the charges and the petition are in proper form and, if so, the Secretary shall then notify in writing each director against whom charges have been brought, of the charges at least thirty (30) days prior to the meeting.

The member or members bringing the charges shall have an opportunity at the meeting of the members to present evidence by witnesses or by documentation, either in person or by counsel. Each director charged with misconduct shall then have the right to object to evidence, to examine all witnesses and present evidence, in person or by counsel.

After presentation of evidence and arguments, the membership shall vote by secret ballot on the question of whether the director shall be removed. In the event there is more than one (1) director sought to be removed, separate vote shall be taken as to each director. A majority vote of the

members present and voting is required to effect the removal of a director.

Any vacancy created by the removal may be filled by the Board of Directors unless the removal results in less than a quorum remaining on the Board, in which case the members at the meeting, upon nominations from the floor, provided that the nominee resides in the same district as the director in respect to whom the vacancy occurs and the nominee complies with the qualifications for directors as contained in these Bylaws, shall then fill the vacancy.

The term “for cause,” as used in this Section, is defined as being malfeasance in office, that is, the commission of an act which is unlawful or which interrupts or interferes with the performance of official duties.

Section 5. Vacancies

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of the Board of Directors by the members, a vacancy occurring on the Board shall be filled for the unexpired portion of the term by the majority of the remaining Board members.

A director elected to fill a vacancy must comply with all of the qualifications of a director.

Section 6. Compensation

The Board of Directors may, by resolution, authorize compensation for time spent and expenses incurred in connection with official business for the Cooperative. If authorized by the Board or Board policy, Board members and members of Committees appointed by the Board may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or be granted a reasonable per diem allowance by the Board in lieu of detailed accounting.

Section 7. Directors as Employees

No director or close relative of any director, either by blood or marriage, shall become or remain a permanent employee of the Cooperative during the tenure of the Director’s office. As used in these Bylaws, close relative means a person who by blood or in-law, including step or adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

ARTICLE V

MEETING OF DIRECTORS

Section 1. Regular Meetings

A regular meeting of the Board of Directors shall be held without notice, other than this Bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place as the Board of Directors may provide by resolution. The regular monthly meetings may be held without notice other than a resolution fixing the time and place.

Section 2. Special Meetings

A special meeting of the Board of Directors may be called by the President or any three (3) directors and it shall be the duty of the Secretary to give notice of the meeting. The person or persons authorized to call a special meeting of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors.

Section 3. Notice

Notice of the time, place, and purpose of any special meeting of the Board of directors shall be given at least three (3) days previous by written notice or electronic mail. Written notice under this Section 3 shall be delivered personally or mailed, postage prepaid, to each director at their last known address. If mailed, written notice under this Section 3 shall be deemed to be delivered when deposited in the United States mail. Electronic mail under this Section 3 shall be deemed to be delivered when transmitted to the electronic mail address or other address provided by the director for electronic communications.

Section 4. Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at the meeting, a majority of the directors present may adjourn the meeting. The Secretary shall notify any absent directors of the time and place of the reconvened meeting.

Section 5. Participation in Meetings

Directors may participate in regular or special Board of Directors meetings by any means of communication by which either:

i: all participants may simultaneously hear each other during the meeting; or

ii: all communication during the meeting is immediately transmitted to each participant, and each participant is able to immediately transmit messages to each other participant.

A Director participating in a regular or special Board of Directors meeting by any such means of communication is deemed to be present in person at the meeting for the purposes of Section 4 of this Article.

ARTICLE VI

OFFICERS

Section 1. Number

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and other officers as may be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person. The President and Vice President shall be elected from the members of the Board of Directors.

Section 2. Election and Term of Office

The officers shall be elected, by ballot or voice vote, annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the members. If the election of officers is not held at that meeting, the election shall be held as soon thereafter as is convenient. Each officer shall hold office until the first meeting of the Board of Directors following the next annual meeting of the members or until his successor shall have been duly elected and shall have qualified.

Section 3. Removal

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

Section 4. Vacancies

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President

The President:

- a. shall be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors and, unless determined otherwise by the Board of Directors, he shall preside at all meetings of the members;
- b. may sign, with the Secretary, 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 shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- c. in general, shall perform all duties incident to the office of President and other duties as may be prescribed by the Board of Directors.

Section 6. Vice President

In the absence of the President, or in the event of 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 and shall perform all other duties as may be assigned by the Board of Directors.

Section 7. Secretary

The Secretary shall be responsible for:

- a. keeping the minutes of the meetings of the members and the Board of Directors in one or more books provided for the purpose;
- b. seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- c. being custodian of the corporate records and of the seal of the Cooperative and seeing that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- d. keeping a register of the post office address of each member which shall be furnished to the Secretary by the member;
- e. having general charge of the books of the Cooperative in which a record of the members is kept;
- f. keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments, which Articles of Incorporation and Bylaws shall be open to the inspection of any member, and at the expense of the Cooperative, shall forward a copy of the Bylaws and all amendments thereto to members upon written request; and

g. in general, performing all duties incident to the office of Secretary and all other duties as may be assigned by the Board of Directors.

Section 8. Treasurer

The Treasurer shall be responsible for:

- a. having charge and custody of and being responsible for all funds and securities of the Cooperative;
- b. receiving and giving receipts for monies due and payable to the Cooperative from any source whatsoever, and depositing all monies in the name of the Cooperative in a financial institution authorized by the Board of Directors; and
- c. in general, performing all the duties incident to the office of Treasurer and all other duties as may be assigned by the Board of Directors;

Section 9. Delegation of Authority

The Board of Directors may, by resolution, delegate, wholly or in part, the responsibility and authority for one or more of each officer's duties to one or more agents, officers, or employees of the Cooperative who are not directors. To the extent that the Board does delegate, that officer shall be released from the duties and responsibilities of his respective office.

Section 10. Chief Executive Officer

The Board of Directors may appoint a Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer shall perform duties and shall exercise authority as the Board of Directors may delegate.

Section 11. 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.

Section 12. Reports

The officers of the Cooperative may 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 the fiscal year.

Section 13. Indemnification of Directors, Officers, and Employees

No person or their heirs, executors or administrators shall be liable to the Cooperative for any loss or damage suffered by it on account of any action taken or omitted to be taken as a

director, officer, or employee of the Cooperative in good faith, if the person exercised or used the same degree of care and skill as a prudent person would have exercised or used under the same circumstances in the conduct of their own affairs or took or omitted to take action in reliance upon advice of counsel for the Cooperative or upon statements made or information furnished by officers or employees of the Cooperative which there were reasonable grounds to believe.

Each current or former director, officer, and employee of this Cooperative and their heirs, executors and administrators shall be indemnified and held harmless by this Cooperative against all costs, expenses, judgments or settlements, including attorney's fees, reasonably incurred or imposed in connection with or resulting from any action, suit, proceeding or claim to which the individual director may have been made a party by reason of being or having been a director, officer, or employee, and whether or not the action or omission on the part of the director, officer or employee, which is the basis of the suit, action, or proceeding or claim, occurred before or after adoption of these Bylaws, except in relation to matters as to which the individual shall have been finally adjudged in the action, suit or proceeding, or, if there being no action, suit or proceeding, then determined in conjunction with the settlement of any such claim, by a majority of the Board of Directors of this Cooperative, which is unaffected by self-interest, to have failed to act in good faith or committed gross negligence or gross misconduct in the performance of duties as a director, officer, or employee, or in the case of a criminal proceeding, the individual had knowledge or reasonable cause to believe that his or her conduct was unlawful.

The provision of this Article shall be in addition to and not a limitation of any other rights, indemnities, or limitations of liability. The Cooperative may also purchase insurance to cover the indemnification.

Section 14. Bonds

The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with the responsibility of the custody of any of its funds or property to post bond in sums and with surety as the Board of Directors determine. The Board of Directors, at its discretion, may also require any other officer, agent or employee of the Cooperative to post bond in an amount with a surety as it shall determine. The cost of all bonds shall be borne by the Cooperative.

ARTICLE VII

SEAL OF COOPERATIVE

The seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative, the words “Utilities District of Western Indiana, Seal, R.E.M.C.”

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Cooperative shall begin on the 1st day of January of each year and end on the 31st day of December in the same year.

ARTICLE IX

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 contracts or execute and deliver instruments in the name and on behalf of the Cooperative, and the authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payments of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by an officer or officers, agent or agents, employee or employees of the Cooperative and in the manner as shall be determined by resolution of the Board of Directors.

Section 3. Deposits

All of the funds, except petty cash, of the Cooperative shall be deposited or invested to the credit of the Cooperative in financial institutions or in financial securities as the Board of Directors may select.

ARTICLE X

DISPOSITION OF PROPERTY

The Cooperative may not sell, lease, exchange, mortgage, pledge, or otherwise dispose of all, or substantially all, of the property of the corporation to a person, firm or corporation not formed under the Indiana REMC Act or Hoosier Energy REC, Inc. unless the following terms and conditions are met:

- a. two-thirds (2/3) of all Directors must affirmatively authorize the submission of the tender offer to the membership;
- b. the tender offer must include the transfer of all or substantially all the assets (such tender offers may not be considered for a portion of the system); c. notwithstanding any article, bylaw, resolution or practice that has ever been utilized by this Cooperative to the contrary, proxy votes, write-in votes, or absentee ballots may not be utilized to establish a quorum for either the Board of Directors or the membership, or to vote on any consideration of the transfer of all or substantially all of the Cooperative's property;
- d. the tender offer for the transfer of all or substantially all of the assets of the Corporation may not be presented for approval to the membership prior to 180 days after the affirmative two-thirds (2/3) approval of the Board of Directors;
- e. as the term "Board of Directors" is utilized in this section dealing with the sale or transfer of all or substantially all of the assets to an entity other than one organized under the Indiana REMC Act, it describes those who are incumbent board of directors at the time the offer is tendered;
- f. no offer for the purchase of all or substantially all the assets of the Corporation may be considered if it does not include an assumption of all contractual obligations of the Corporation, specifically including the all requirements power contract the Corporation has with Hoosier Energy REC, Inc. and all terms and conditions contained within said wholesale power contract then in force;
- g. the tender offer has been authorized by a resolution duly adopted at a meeting of its members duly called and held and wherein a quorum was established of fifty percent (50%) of the members in person and which resolution shall have received the affirmative vote of at least fifty percent (50%) of all its members, and;
- h. these requirements shall not apply to the sale, lease, exchange, transfer or other disposition to one or more rural electric cooperatives formed under the Indiana REMC Act if the substantive or actual legal effect thereof is to merge or

consolidate with one or more rural electric cooperatives in compliance with the provisions of Ind. Code '8-1-13-16.

The Board of Directors of the Cooperative shall have authority without authorization by the members to authorize the execution and delivery of a mortgage or mortgages, a deed or deeds of trust, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenues therefrom, for the purpose of financing the construction or maintenance of the Cooperative's distribution and transmission system or systems and for general plant as may be defined in the Uniform System of Accounts, upon terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to any federal agency or to any financial institution.

The Board of Directors is authorized to issue its obligations in anticipation of its revenues for any corporate purpose in compliance with the laws of the State of Indiana.

ARTICLE XI

NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited

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

Section 2. Patronage Capital in Connection with Furnishing Electric Energy

In the furnishing of electric energy, the Cooperative's operation shall be so conducted that members 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 members 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 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 members as capital. The Cooperative is obligated to pay credits to a capital account for each member all amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in a

manner that at the end of each fiscal year, the amount of capital so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and this information shall be available at the Cooperative's principal office and will be furnished to any member upon request. All such amounts credited to the capital account of the member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had 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 prior fiscal year; and

b. to the extent not needed for that purpose, allocated to the members on a patronage basis, and any amounts so allocated shall be included as a part of the capital credit to the account of the members as herein provided.

In the event of the dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired in accordance with policies of the Board of Directors. If at any time prior to the dissolution or liquidation the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part in accordance with a resolution adopted by the Board of Directors approving such retirement and prescribing the manner for such retirement.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of his estate shall request in writing that the capital credited to any member be retired prior to the time the capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any member immediately upon the terms and conditions as the Board of Directors shall determine; provided, however, that the financial condition of the Cooperative will not be impaired thereby. The members of the Cooperative acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member; and both the Cooperative and the member are bound by such contract as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of Bylaws shall be called to the

attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Provided further, however, that the Board of Directors shall have the power, but shall not be required, to adopt rules providing for the separate allocation and/or retirement of that portion of the capital credited to the account of the members which corresponds to the capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules, if adopted, shall establish a method for determining the power supply portion of the capital credited to each patron for the applicable fiscal year and provide for separate identification on the Cooperative's books of the power supply portion of the capital credited to the Cooperative's members.

The Cooperative before retiring any capital credit to any such member's account shall deduct therefrom any amount the member owes to the Cooperative together with interest thereon at the legal rate on judgments in effect when the amount became overdue compounded annually.

Section 3. Patronage Refund in Connection with Furnishing Other Services

In the event that the Cooperative should be engaged in the business of furnishing goods and services other than electric energy, all amounts received therefrom which are in excess of costs and expenses properly chargeable against furnishing of such goods or services shall, insofar as permitted by law, be pro-rated annually on a patronage basis and allocated to members in an order of priority as determined by the Board of Directors.

Section 4. Unclaimed Funds of Members

Pursuant to the statutes of the State of Indiana, the Cooperative shall recover any capital credits, patronage refunds, utility deposits, member fees, account balances or book equity which remain unclaimed for a period of two (2) years following the attempted payment by the Cooperative to a member or former member. Prior to the recovery of the unclaimed fund, the Cooperative shall give public notice in a newspaper published in the county in which the Cooperative locates its general headquarters, the name of each member entitled to claim the funds, the approximate amount thereof, and that if not claimed at the office of the Cooperative within sixty (60) days of the notice, the funds shall be forfeited to the Cooperative and reallocated among the other members of the Cooperative. Thereafter, any such unclaimed funds shall be allocated on a pro rata basis among the members of the

Cooperative as of the year in which the sixtieth (60th) day falls following publication of the above-described notice. All unclaimed funds recovered by the Cooperative reallocated as set forth hereinabove shall be considered an irrevocable assignment and gift to the Cooperative of such funds by the member formerly entitled thereto. Nothing in this Section shall be construed to prohibit the Cooperative from crediting any of the above-described funds against the member's or members' debt to the Cooperative prior to the payment to the member or allocation in favor of other members.

ARTICLE XII

MISCELLANEOUS

Section 1. Rules and Regulations

The Board of Directors shall have the power to make, adopt, and enforce Policies and Rules and Regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative, or these Bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

Section 2. Accounting Systems and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to an accounting system as may 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 by a Certified Public Accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of the fiscal year. A report of the audit shall be submitted to the Board of Directors at the next Board of Directors' meeting after its receipt by the Cooperative.

Section 3. Membership in Other Organizations

The Cooperative shall not become a member of any other organization without an affirmative vote of the Board of Directors.

Section 4. Waiver of Notice

Any member or Board member may waive in writing any notice of meetings required to be given by these Bylaws. The attendance of a member or Board of Director at any meeting shall constitute waiver of notice of that meeting by the member or Board member, except in case a member or Board member

shall attend the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been legally called or convened.

Section 5. Area Coverage

The Board shall make diligent effort to see that electrical service extends to all unserved persons in the Cooperative area who:

- a. desire service, and
- b. meet all the requirements established by the Cooperative as a condition of membership.

Section 6. Nondiscrimination

The Cooperative shall not discriminate against any person by reason of age, sex, race, color, religion, national origin or disability. The use of the pronoun he or him in the context of these Bylaws or amendments hereto shall include female, male, and any other legal entity subject to the terms and conditions of these Bylaws.

Section 7. Subscription for Cooperative Newspaper

For purposes of disseminating information devoted to the economical, effective and constructive use of electric energy, the Board of Directors shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the Cooperative's newsletter, the annual subscription price of which shall be determined by the Board of Directors and which shall be deducted from any funds accrued in favor of the member, so as to reduce the funds in the same manner as it would any other expense of the Cooperative. The Board of Directors shall also be empowered, on behalf of and for circulation to the members periodically, to subscribe to the publication of the Indiana Electric Cooperatives "(IEC)" The annual subscription price of which shall not be less than established by the Board of Directors of IEC and which shall be deducted from any funds accruing in favor of the members so as to reduce the funds in the same manner as would any other expense of the Cooperative.

Section 8.

Parliamentary procedure at all meetings of the members, Board of Directors or any committee provided for in these Bylaws shall be governed by the most recent edition of Robert's Rules of Order, except to the extent that such procedures are otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE XIII

AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of three-fourths (3/4) of the members of the Board of Directors which vote shall be taken at any regular or special meeting of the Board of Directors, provided that notice of such alterations, amendments, or repeal shall have been given with the notice of the meeting.