

Midwest Energy, Inc. Bylaws

Amended April 21, 2025

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MIDWEST ENERGY, INC. BYLAWS

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership

Any person, firm, partnership, association, corporation or body politic or subdivision thereof may become a member of Midwest Energy, Inc. (hereinafter called the "Corporation"), by:

- a) Applying for service;
- b) Agreeing to purchase from the Corporation natural gas and/or electricity;
- c) Agreeing to comply with and be bound by, the Articles of Incorporation and the bylaws of the Corporation and any amendment thereto and such policies as may from time to time be adopted by the Board of Directors;

SECTION 2. Membership

No member may hold more than one membership in the Corporation.

SECTION 3. Transfer and Termination of Membership

Membership in the Corporation shall not be transferred, assigned or granted to any person, firm, partnership, association, corporation or body politic or subdivision thereof.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.

Whenever a member shall cease to purchase natural gas and electricity from the Corporation or upon the withdrawal, expulsion or death of a member, the membership of such member shall thereupon terminate, and the membership shall be canceled on the books and records of the Corporation.

Termination of membership in any manner shall not release a member or his estate from any debts or liabilities of such member to the Corporation, and said liabilities may be set off pursuant to Article IX, Section 2.

Upon termination of membership, all rights to patronage capital credited shall be retained in the member's patronage capital account, which will maintain equal status to other patronage capital in the Corporation and will both be retained in the member's patronage capital account and be eligible for retirement by the manner specified in Article IX of these Bylaws. Termination of membership in any manner shall operate as a release of all right, title and interest of the member in the property and assets of the Corporation.

SECTION 4. Purchase of Natural Gas and Electricity

Each member will agree to purchase natural gas and/or electricity as offered by the Corporation for use on the premises specified in their application for service. It is expressly understood that the amounts paid for natural gas and electricity in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these bylaws. Each member shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

ARTICLE II PROPERTY INTEREST OF MEMBERS

Upon dissolution, after (a) all debts and liabilities of the Corporation shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws; insofar as is practicable, the remaining property and assets of the Corporation 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 period the property was owned by the Corporation.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting

The annual meeting of the members shall be held on a day designated by the Board of Directors between May 15 and December 15 and each year thereafter in the following manner:

- a) The date of the annual meeting shall be designated in the notice of the meeting as set out in Section 3 below.
- b) At least twenty (20) days prior to the annual meeting, each member shall be mailed a ballot which shall contain the names of the members running for election for the appropriate director's seat. Further, the ballot shall provide space for all the issues concerning the transaction of business by the Corporation that may properly come before the meeting.
- c) The Board of Directors may authorize the use of electronic voting options, conducted according to the same timelines as for paper ballots, for Director elections or business matters to be considered at the annual meeting.
- c) The ballots sent to each member may be marked and returned to the Corporation office or a designated balloting agent at least ten days prior to the annual meeting.
- d) The ballot shall be prepared and mailed by the Secretary of the Corporation to the members and shall include any motion or proposed resolution which could properly come before the annual meeting.
- e) In the event the election of directors is not included in the ballot for the annual meeting, the Board of Directors shall issue a special ballot as soon as convenient, returnable at a date certain for the election of Directors.
- f) The Board of Directors may cancel the annual meeting of the members in the event of the occurrence of forces beyond the Corporation's control, including, without limitation, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, pandemic and declarations of national emergencies.

SECTION 2. Special Meetings

Special meetings of the members may be called by the Chair of the Board, by the Board of Directors, or upon written request signed by any five directors, or by ten percent (10%) or more 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. Special meetings of the members may be held at any place within the State of Kansas specified in the notice of the special meeting, and voting may be by ballot mailed to the members, including an electronic voting option, following the procedure for the annual meeting.

SECTION 3. Notice of Members' Meetings

Written or printed notice stating the place, day and hour of the meeting, and only in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered as provided by law or not less than twenty (20) days or more than thirty-seven (37) days before the date of the meeting, either personally, electronically, or by mail, by or at the discretion of the Secretary, or upon a default in duty by the Secretary, then by the persons calling the meeting, to each member.

No business shall be transacted by ballot, paper or electronic, for a special meeting except as shall be mentioned in the notice. If mailed, such notice or ballot shall be deemed to be delivered when deposited in the United States mail, addressed to the member at its address as it appears on the records of the Corporation, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members, shall not invalidate any action which may be taken by the members by ballot for any such meeting.

SECTION 4. Quorum

Five hundred members of the Corporation entitled to vote, shall constitute a quorum for the transaction of business by ballot, paper or electronic, for all meetings of the members, provided, that if less than five hundred members vote by any approved means or appear for any such meeting, a majority of the members present may adjourn the meeting from time to time without further notice.

SECTION 5. Voting

Each member shall be entitled to only one vote upon each matter submitted to a vote for a meeting of the members, including the election of directors. All questions shall be decided by a vote of the majority of the members voting thereon except as otherwise provided by law, the articles of incorporation or these bylaws.

ARTICLE IV DIRECTORS

SECTION 1. Number and General Powers

The business and affairs of the Corporation shall be managed by a Board of Directors of not less than nine nor more than fifteen, which shall exercise all of the powers of the Corporation, except such as are by law or by the articles of incorporation of the Corporation or by these bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office

All directors shall be elected by secret ballot mailed or electronically delivered to each member prior to each annual meeting of the members by and from the members and the term of their office shall be three years. As the terms of such directors expire, their respective successors shall be elected for three year terms subject to the provisions of the bylaws with respect to the removal of directors.

The Districts, which are geographical areas from which the directors shall serve, shall be numbered one through five and currently include the following counties:

- District 1: Counties of Cheyenne, Greeley, Hamilton, Logan, Rawlins, Sherman, Thomas, Wallace and Wichita.
- District 2: Counties of Decatur, Gove, Norton and Sheridan.
- District 3: Counties of Barton, Ellsworth, Osborne, Phillips, Reno, Republic, Rice, Rooks, Rush, Russell and Smith.
- District 4: Counties of Ellis, Graham and Trego.
- District 5: Counties of Edwards, Finney, Grant, Gray, Haskell, Hodgeman, Kearny, Kiowa, Lane, Ness, Pawnee, Pratt, Scott and Stafford.

In the event that upon the adoption of these bylaws no director is elected from any one of the districts, interim directors shall be appointed by the Board of Directors. Any interim director or directors shall serve with all the powers and privileges of a director until his successor shall have been duly elected and shall have qualified.

Directors shall be elected by a plurality vote of the members, with each member limited to one vote specifically for each director's seat which is up for election.

In the event of cancellation of the annual meeting as contemplated by Article III, Section 1 (f), the Directors standing for election shall be elected by secret ballot mailed or electronically delivered to each member prior to the anticipated but cancelled annual meeting of the members.

SECTION 3. Qualification

No person shall be eligible to be elected or remain a director of the Corporation who:

- a) is not a member or a spouse of a member of the Corporation receiving retail electric and/or natural gas service in the district for which he/she is nominated and a bona fide resident of the district for which he/she is nominated.
- b) is in any way employed by, or financially interested in, a competing enterprise or a business selling natural gas or electricity.
- c) does not meet all qualification requirements as set forth in Corporate Policy adopted by the Board of Directors.

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

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

Nothing contained in this section shall prohibit the Board of Directors from establishing additional qualifications for directors by Corporate Policy.

SECTION 4. Vacancies

Any vacancy occurring in the Board of Directors, whether by death, removal, resignation or disqualification of a director or by increase in the number of directors allowed, or otherwise, shall be filled by a majority vote of the remaining Board of Directors of the Corporation, and any director that is elected shall serve for the unexpired portion of the term of the director in respect to whom the vacancy occurs.

SECTION 5. Compensation of Directors

Directors shall not receive any salary for their services as director, except that by resolution of the Board of Directors, a fixed fee and actual expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors and for participating in all other meetings and activities pertaining to the Corporations' business and interest that are authorized by the Board of Directors, except that the Board of Directors may certify that the services of a director are necessary as in an emergency measure and shall allow the director full compensation for his services. Nothing herein shall be construed to authorize payment by the Corporation of fees or expenses incurred by directors for attendance at any meetings of the members of the Corporation.

SECTION 6. Policies

The Board of Directors shall have the power to make, adopt and enforce such policies not inconsistent with law, the articles of incorporation of the Corporation or these bylaws as it may deem advisable for the nomination of directors and for the management, administration and regulation of the business and affairs of the corporation.

SECTION 7. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, shall conform and be subject to applicable laws and rules and regulations of any regulatory body having jurisdiction of the Corporation. After the close of each fiscal year, the Board of Directors shall cause to be made a full and complete audit of the accounts, books and financial condition of the Corporation as of the end of such fiscal year.

SECTION 8. Executive Committee

The Board of Directors may establish an executive committee consisting of not less than three nor more than five directors, including the Chair and such Vice-Chair of the board as may be designated by the board. The executive committee shall have the power to act for the Board of Directors between the meetings of the Board of Directors, only to the extent authorized by the Board of Directors by appropriate resolution.

SECTION 9. Other Committees

The Board of Directors may from time to time establish other committees to perform such duties as the Board of Directors may determine.

ARTICLE V MEETING OF DIRECTORS

SECTION 1. Regular Meeting

A regular meeting of the Board of Directors shall be held without notice other than this bylaw, immediately after the annual meeting of the members. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may provide by resolution. Such regular meetings may be held without notice other than such resolution fixing time and place thereof. A Director may be deemed present to a regular (special) meeting by appearing in person, electronically or by other methods approved by the Board.

SECTION 2. Special Meetings

Special meetings of the Board of Directors may be called by the Chair of the Board or at the request of any five directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The person or persons authorized to call special meetings of the Board of Directors shall fix the time and place for the holding of any special meeting of the Board of Directors requested by them.

SECTION 3. Notice of Special Directors' Meetings

Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least seven (7) days previous thereto, by written notice, delivered personally or mailed to each director, by or at the discretion of the Secretary, or upon default in duty by the Secretary, by the Chair of the Board or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 4. Meeting Participation

Members of the Board of Directors of the Corporation, or any committee designated by such Board, may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting.

SECTION 5. Quorum

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

ARTICLE VI OFFICERS AND EMPLOYEES

SECTION 1. Number

The officers of the Corporation shall be a Chair of the Board, one or more Vice-Chair of the Board, a President, Secretary, Treasurer, Chief Financial Officer, and such other officers as may be determined from time to time by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office; Qualifications

The officers shall be elected by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified. Only directors of the Corporation shall qualify for offices of Chair and Vice-Chair of the Board, Secretary, and Treasurer. The President shall not be a director of the Corporation. Only employees of the Corporation shall qualify for the offices of President, Chief Financial Officer and other offices. No person shall continue to hold office in the Corporation after he shall have ceased to be qualified for such office.

SECTION 3. Removal

Any officer or agent elected or appointed by the Board of Directors may be removed at the discretion of the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

SECTION 4. Vacancies

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

SECTION 5. Chair of the Board

The Chair of the Board:

- a) shall preside at all meetings of the members and the Board of Directors;
- b) shall designate, in writing, if more than one Vice-Chair is elected, the Vice-Chair authorized to act for the Chair during the absence or inability to act of the Chair. The Chair may designate more than one Vice-Chair to act for him except that the scope of authority of the several Vice-Chair shall not overlap or conflict;
- c) may sign any deeds, mortgages, deeds of trust, notes, bonds contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be delegated by the Board of Directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- d) shall perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice-Chair of the Board

In the absence of the Chair of the Board, or in the event of his inability to act, the Vice-Chair, or, in the event more than one Vice-Chair is elected, any Vice-Chair so designated by the Chair, shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all restrictions upon the Chair. Any Vice-Chair shall have such other authority as the Chair may delegate to him, and shall perform such other duties as from time to time may be assigned by the Chair.

SECTION 7. Chief Executive Officer (CEO)

The Chief Executive Officer:

- a) shall be the Chief Executive Officer of the Corporation;
- b) shall have the power and authority to hire, assign, promote, discharge, or discipline other employees of the Corporation;
- c) shall sign any deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed;
- d) shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 8. Secretary

The Secretary:

- a) shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- b) shall see that all notices are duly given in accordance with these bylaws or as required by law;
- c) shall be custodian of the corporate records;
- d) shall keep a register of names and post office address of each member;
- e) shall have general charge of the books of the Corporation in which a record of the members is kept;
- f) shall keep in file at all times a complete copy of these bylaws containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Corporation forward a copy of these bylaws and all amendments thereto to each member; and
- g) shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

SECTION 9. Treasurer

The Treasurer:

- a) shall have charge and custody of and be responsible for all funds and securities of the Corporation;

- b) shall receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- c) shall, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

SECTION 10. Chief Financial Officer

The Chief Financial Officer:

- a) shall sign any deeds of trust, notes, bonds, contracts or other instruments that are within the power and authority of the President and as directed by the President;
- b) shall assist the Treasurer with cash receipts and deposits, provide an accurate and timely accounting of all financial transactions and prepare reports as required by the Board or other regulatory bodies;
- c) shall facilitate an efficient and effective annual financial audit, though the audit firm reports directly to the Board;
- d) shall prepare and present an annual financial budget for approval by the Board;
- e) shall prepare and sign tax returns and related documents; and
- f) shall, in general, perform all duties incidental to the office of Chief Financial Officer and such other duties as from time to time may be assigned by the President or the Board of Directors.

SECTION 11. Other Officers

The Board of Directors may elect such other officers as it may determine, including one or more assistant officers to each principal officer provided for in these bylaws. Each such officer shall have such authority as shall be delegated, and shall perform such duties as shall be assigned by the principal officer to whom he reports; provided, however, that any authority once delegated by the President can be re-delegated only upon the approval by the President.

SECTION 12. Bonds of Officers

The Board of Directors may require the Treasurer, or any other officer or employee of the Corporation charged with the 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 Directors shall determine.

SECTION 13. Reports

The Chair of the Board, Secretary, Treasurer and President of the Corporation shall submit at each annual meeting of the members, reports covering the business of the Corporation for the previous fiscal year. Such reports shall set forth the condition of the Corporation at the close of such fiscal year.

SECTION 14. Delegation of Duties

Notwithstanding the duties, responsibilities, and authority of the Secretary and the Treasurer herein before provided, the Board of Directors by resolution may, except as otherwise limited by law, delegate wholly or in part authority for, and the regular and written administration of, one (1) or more such duties to one (1) or more employees of the Corporation who are not directors.

In case of the death or the temporary absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of any such officer to any other officer or to any Director provided a majority of the entire Board of Directors concurs therein.

ARTICLE VII WAIVER OF NOTICE

Any member, director or officer may waive, in writing, any notice of meetings required to be given by these bylaws. The attendance of any person entitled to notice of meeting shall constitute a waiver of notice of such meeting, unless such person participates therein solely to object to the transaction of any business because the meeting has not been legally called or conveyed.

ARTICLE VIII CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. Contracts

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

SECTION 2. Checks, Drafts, or Orders for Payment

All checks, drafts or other orders for the payment of money, and all notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, or employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 3. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board of Directors may select.

ARTICLE IX NON-PROFIT ORGANIZATION

SECTION 1. Interest or Dividends on Capital Prohibited

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

SECTION 2. Patronage Capital in Connection with Furnishing Natural Gas and Electricity

In the furnishing of natural gas and electricity, the Corporation shall be so conducted that all patrons, members and non-members alike, will, through their patronage furnish capital for the Corporation. In order to induce patronage and to assure that the Corporation will operate on a non-profit basis, the Corporation is obligated to account on a patronage basis to all its members, for all amounts received and receivable from the furnishing of natural gas and electricity in excess of the sum of

- a) operating costs and expenses properly chargeable against the furnishing of natural gas and electricity; and
- b) amounts required to offset any losses incurred during the current or any prior fiscal year.

All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the members, as capital.

The Corporation is obligated to allocate by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Corporation 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 member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Corporation shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his account. All such amounts credited to the capital account of any 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 then furnished the Corporation corresponding amounts for capital.

Funds and amounts, other than from furnishing natural gas and electricity or from other patronage related sources, received by this Cooperative that exceed this Cooperative's costs and expenses, including certain "non-operating margins" may, at the discretion of the Board of Director's be:

- a) allocated as capital credits to members in the same manner as this Cooperative allocates capital credits to members; or
- b) used by this Cooperative as permanent, non-allocated capital.

Notwithstanding any provision of this Article IX, the amount to be credited to the capital of members on account of their patronage shall be the greater of alternative minimum taxable income or regular taxable income resulting from their patronage as determined under Federal income tax law.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation 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.

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part, subject to any limitations imposed by the provisions of any mortgage or deed of trust given or assumed by the Corporation. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as patronage capital. Before making such retirements, the Corporation shall deduct from a member's capital account any debts owing from the member to the Corporation.

Capital credited to the account of each member shall be assignable only on the books of the Corporation pursuant to written instructions from the assignor and only to successors in interest in the business or physical assets of such members unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Corporations, political bodies, schools, churches, community buildings, societies, fraternities or other legal entities that are traded, sold, reorganized, dissolved, disorganized, or cease to exist shall not have their capital credits retired ahead of general retirements.

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 such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

In the event of dissolution, disorganization, reorganization, trade, or sale of a business member, the Corporation shall be immediately notified by Affidavit. Said Affidavit shall state the business member's name, the date of the sale, and to whom the business was sold. When a corporate business member has dissolved, a Certificate of Dissolution or similar document shall be attached to the Affidavit.

In the event a member does not claim the capital credited to its or his account and the Corporation is unable to locate a member after reasonable inquiry, the Corporation may transfer the unclaimed capital credited to the member's account into the Corporation's permanent capital account.

The members of the Corporation, by dealing with the Corporation, acknowledge that the Corporation has a lien on all capital credits of each member to the extent that each member has an unpaid account with the Corporation, and the member further acknowledges that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions.

ARTICLE X DISPOSITION OF PROPERTY

The Corporation may not sell, mortgage, lease or otherwise dispose of, or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized by ballot for any meeting of the members thereof by an affirmative vote of not less than two-thirds of all members of the Corporation, and, unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained the Board of Directors of the Corporation, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage, or mortgages, or a deed, or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Corporation whether acquired, or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and

conditions as the Board of Directors shall determine to secure any indebtedness of the Corporation; provided further, that the Board of Directors may sell, lease or otherwise dispose of any of its property not constituting all or the principal portion thereof upon such terms and conditions and for such consideration as the Board of Directors shall determine.

ARTICLE XI FISCAL YEAR

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

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed by the Board of Directors at any regular or special meeting of the Board, or by vote of the members representing a majority of all the members by ballot for any meeting of the members when the proposed amendment has been set out in the notice of such meeting.

ARTICLE XIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall, to the full extent permitted by law, indemnify each of its officers, directors, employees or agents, whether or not in office, (and his executor, administrator, and heirs) against all amounts actually and necessarily incurred by him including, but not limited to, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including attorney's fees, to the full extent permitted by law, upon a determination that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Indemnification shall not be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable prior to passage of this amended bylaw.

In the event of a settlement before or after an action, suit or proceeding, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by independent legal counsel that the person to be indemnified was not guilty of negligence or misconduct.

Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized; provided, however, such person shall agree to repay all amounts advanced unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation.

The foregoing right of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled under any other bylaw provision, agreement, vote of the members or disinterested trustees or otherwise.

ARTICLE XIV STOCK PURCHASES AND MEMBERSHIPS

The Corporation may, upon authorization of the Board of Directors, purchase stock in or become a member of any Corporation or organization.