

**Noble County Rural Electric
Membership Corporation**

The goal of Noble County Rural Electric Membership Corporation (hereinafter called the "COOPERATIVE") is to make electric energy available to its Members at the lowest cost consistent with sound economy and good management.

BYLAWS

ARTICLE I

MEMBERSHIP

ARTICLE I - SECTION 1. CONDITIONS OF MEMBERSHIP

The corporate purpose of this COOPERATIVE shall be to render service to its Members only and no Person shall become or remain a Member of the COOPERATIVE, unless such Person shall purchase, use, or receive electric energy and related products and services supplied by the COOPERATIVE (hereafter "Cooperative Services" or "Service") and shall have complied with the terms and conditions in respect to membership contained in these bylaws of the COOPERATIVE (the "BYLAWS").

Any natural person, firm, association, partnership, limited liability company, corporation or body politic (collectively "Person") may become a member (a "Member") in the COOPERATIVE by completing the following to the COOPERATIVE'S satisfaction:

- a. Filing a written application for membership therein;
- b. Agreeing to purchase from the COOPERATIVE and pay for Cooperative Services as hereinafter specified;
- c. Agreeing to comply with and be bound by the Articles of Incorporation of the COOPERATIVE (the "Articles of Incorporation"), the BYLAWS, and such rules and regulations (the "Rules and Regulations") as may be adopted from time to time by the board of directors of the COOPERATIVE (hereinafter "BOARD of DIRECTORS" or "BOARD").

ARTICLE I - SECTION 2. APPLICATION FOR MEMBERSHIP

Any Person who desires to purchase Cooperative Services from the COOPERATIVE (an "Applicant") shall file with the COOPERATIVE a written application for membership which shall contain (1) an agreement that Cooperative Services will be purchased from the COOPERATIVE at a service connection, the location of which shall be designated in application for membership (2) an agreement that the Applicant will comply with and be bound by the Articles of Incorporation of the COOPERATIVE, the BYLAWS of the COOPERATIVE and any amendments thereto and such Rules and Regulations as may be adopted from time to time by the BOARD of DIRECTORS (altogether "Governing Documents"), and (3) an agreement that the Applicant will make payment for such other fees designated in the Rules and Regulations which are incidental to providing Cooperative Services at the service connection.

ARTICLE I - SECTION 3. MEMBERSHIP OBLIGATIONS

The BOARD of DIRECTORS shall not permit the sale of Cooperative Services from any service connection unless the purchaser of said Services has filed with the COOPERATIVE a written application for membership and has complied with the terms and conditions of the BYLAWS of the COOPERATIVE and amendments thereto and such rules and regulations as may be adopted from time to time by the BOARD of DIRECTORS. Each Member shall, as soon as Cooperative Services shall be available, purchase from the COOPERATIVE all electric energy that is purchased for use on the premises referred to in the application of such Member for membership, and shall pay therefore monthly at rates which shall be fixed from time to time by resolution of the BOARD of DIRECTORS in accordance with its applicable policies and procedures; provided, however, the Cooperative Services which the COOPERATIVE shall furnish to any Member may be limited to such an amount as the BOARD of DIRECTORS

shall from time to time determine and that each Member shall pay to the COOPERATIVE such minimum amount per month as shall be fixed by the BOARD of DIRECTORS from time to time regardless of the amount of Cooperative Services consumed. Each Member shall also pay all obligations which may from time to time become due and payable by such Member to the COOPERATIVE as and when the same shall become due and payable. The COOPERATIVE shall use reasonably diligent efforts to furnish its Members with adequate and dependable service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each Member, for so long as such premises are owned or directly occupied or used by him/her, shall purchase from the COOPERATIVE all central station electric power and energy purchased for use on all premises to which Cooperative Services have been furnished by the COOPERATIVE pursuant to his Membership, unless and except to the extent that the BOARD of DIRECTORS may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of Cooperative Services actually used) established by the BOARD of DIRECTORS and, if in effect, in accordance with the provision of any written contract. Production or use of Cooperative Services on such premises, regardless of the source thereof, by means of facilities which are interconnected with COOPERATIVE facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the COOPERATIVE. Each Member shall also pay all other amounts owed by him/her to the COOPERATIVE as and when they become due and payable. When the Member has more than one service connection from the COOPERATIVE, any payment by him for Services from the COOPERATIVE shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the COOPERATIVE'S actual accounting procedures do not reflect such allocation and proration. As requested by the BOARD, each Member shall indemnify the COOPERATIVE for, and hold the COOPERATIVE harmless from, any expenses, costs, liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the COOPERATIVE, or by any COOPERATIVE director ("DIRECTOR"), Officer, employee, agent, representative, or contractor, because of any property damage, personal injury, or death resulting from the Member's negligence or failure to comply with the Governing Documents.

ARTICLE I - SECTION 4. ACCEPTANCE AND TERM OF MEMBERSHIP

An Applicant for membership in the COOPERATIVE shall not become a Member until he/she/it has complied with all of the provisions of the Articles of Incorporation and of these BYLAWS and such compliance has been determined by any employee of this COOPERATIVE hereafter designated by the BOARD of DIRECTORS to make such determination from time to time.

Membership in the COOPERATIVE and all rights, privileges and liabilities thereto shall continue as long as the Member (a) purchases Cooperative Services from the service connection designated in said Person's application for membership and (b) complies with the terms and conditions in respect to membership contained in the BYLAWS of the COOPERATIVE and any amendments thereto and such Rules and Regulations which may be adopted from time to time by the BOARD of DIRECTORS.

ARTICLE I - SECTION 5. JOINT MEMBERSHIP

A husband and wife principally residing at the same location or any combination of individuals or entities that reside at the same location may apply for joint membership in the COOPERATIVE (a "Joint Membership") by jointly signing and executing a membership application, and by jointly completing the membership procedures. By written request, and by jointly executing a new membership application, any Member may apply to convert the Member's individual membership to a Joint Membership. Each Joint Member shall thereafter be jointly and severally liable for any rates, charges, fees or costs incurred by the Joint Membership.

- A. Joint Member Rights and Obligations. Unless denied membership as provided by these BYLAWS, and unless otherwise specified by these BYLAWS, each natural person comprising a Joint Membership (a "Joint Member") has and may enjoy all the rights, benefits, and privileges, and is subject to all the obligations, requirements, and liabilities, of being a Member. As used in these BYLAWS, and unless otherwise provided in these BYLAWS, membership includes any Joint Membership, and Member includes any Joint Member.

B. Effect of Joint Member Actions. For each Joint Membership:

1. Notice of any meeting provided to either Joint Member, or waiver of notice of any meeting signed by either Joint Member, constitutes notice or waiver of notice for both Joint Members comprising the Joint Membership;
2. The presence of either, or both, Joint Members at any meeting constitutes the presence of one (1) Member at the meeting; and waives notice of the meeting for both Joint Members comprising the Joint Membership;
3. If only one (1) Joint Member votes on any matter, then the vote binds the Joint Membership and constitutes one (1) vote. If both Joint Members vote on any matter, then they shall be jointly entitled to one vote.
4. Except upon the death of a Joint Member or divorce of marriage, legal separation, legal conclusion of the relationship, or failure to principally reside in the same location, between Joint Members, the suspension or termination of either Joint Member constitutes suspension or termination of both Joint Members; and
5. A Joint Member otherwise qualified is eligible to serve as a member of the BOARD only if both Joint Members would be otherwise qualified to serve as a DIRECTOR. If both Joint Members are otherwise qualified to serve as a DIRECTOR, then either Joint Member, but not both Joint Members simultaneously, is eligible to serve as a DIRECTOR.

C. Joint Membership Conversion and Termination. Upon a death, divorce of marriage, legal separation, legal conclusion of the relationship, or failure to principally reside in the same location between Joint Members:

1. If one (1) Joint Member continues to legally use, receive, or purchase a COOPERATIVE Service at the same location, then the Joint Membership converts to a membership in the name of the Joint Member continuing to legally use, receive, or purchase a COOPERATIVE Service at the same location;
2. If both Joint Members continue to legally use, receive, or purchase a Cooperative Service at the same location, then the Joint Membership converts to a membership in the names of the Joint Members determined by the COOPERATIVE; or
3. If neither Joint Member continues to legally use, receive, or purchase a Cooperative Service at the same location, then the Joint Membership terminates.
4. Any change in membership set forth herein shall not be effective unless and until one or both Joint Members notify the COOPERATIVE in writing of said change. A written notice of change in Joint Membership is effective upon receipt of the same by the COOPERATIVE and shall not be retroactive to any time prior to receipt of the same.

ARTICLE I- SECTION 6. TRANSFER AND SUCCESSION OF MEMBERSHIPS

Memberships may only be transferred or assigned upon the books and records of the COOPERATIVE as follows: (1) In the case of a single membership, only to the duly qualified personal representative of the Member's estate or heirs pursuant to policy adopted by the BOARD of DIRECTORS; (2) In the case of Joint Memberships, upon the death of either spouse who is a party to a Joint Membership, divorce of marriage, legal separation, legal conclusion of the relationship, or failure to principally reside in the same location between Joint Members such membership shall be held solely by the survivor; provided, however, that the estate of the deceased Member, and any other Joint Member, shall not be released from any debts due the COOPERATIVE; and, (3) In the case of marriage dissolution

or divorce of the holders of a Joint Membership, such membership shall continue to be held solely by the Joint Member who continues the direct occupancy and use of the premises covered by such membership in the same manner and to the same extent as though such membership had never been joint; provided, that neither spouse shall be released from any debt due the COOPERATIVE, and subject to the allocation and payment of any accrued capital credits due pursuant to any order pertaining to the division of such credits entered by a Court as a part of a Decree of Dissolution of Marriage or Divorce Decree of the Joint Members, if adequate proof of such is made available to the COOPERATIVE.

ARTICLE I - SECTION 7. EVIDENCE OF MEMBERSHIP

Membership shall be evidenced on the books and records of the COOPERATIVE without the issue of any membership certificate.

ARTICLE I - SECTION 8. SUSPENSION OF MEMBERSHIP

The COOPERATIVE may suspend Members as provided in this BYLAW and allowed by law.

- A. Suspension Reasons. The COOPERATIVE may suspend a Member: (i) if the Member fails to timely pay any amounts due the COOPERATIVE; (ii) if the Member fails to timely comply with the Governing Documents; (iii) if the Member ceases using, receiving, or purchasing any Cooperative Service; (iv) if the Member dies, legally dissolves, or legally ceases to exist; (v) if the Member voluntarily requests suspension; or (vi) as otherwise provided in these BYLAWS, or for other good cause determined by the COOPERATIVE (collectively the "Suspension Reason").
- B. Notice and Comment. Upon a Member's voluntary request for suspension, or if the COOPERATIVE, following the occurrence of a Suspension Reason other than a Member's voluntary request for suspension: (i) provides the Member at least fifteen (15) days prior written notice of the Member's possible suspension and the underlying Suspension Reason; and (ii) notifies the Member that the Member has, and allows the Member, at least five (5) days after the effective date of the notice to comment upon the Suspension Reason, in writing, then unless otherwise determined by the COOPERATIVE in good faith, the Member is suspended. The above notwithstanding, the COOPERATIVE, without providing the Member notice or an opportunity to comment, may suspend the Member, and may suspend or terminate provision of Cooperative Services to the Member upon: (i) determining that a Member has tampered or interfered with, damaged, or impaired any product, equipment, structure, or facility furnished or used by the COOPERATIVE to provide, monitor, measure, or maintain any Cooperative Service (the "Cooperative Equipment"); (ii) discovering the unsafe condition of any Cooperative Equipment; or (iii) discovering any imminent hazard or danger posed by any Cooperative Equipment.
- C. Effect of Member Suspension Upon COOPERATIVE. Upon a Member's suspension, the COOPERATIVE may cease providing any Cooperative Service to the Member and the COOPERATIVE's duties, obligations, and liabilities imposed by these BYLAWS for the Member cease other than the COOPERATIVE's: (i) obligation to retire and refund capital credits; and (ii) obligations regarding the COOPERATIVE's dissolution.
- D. Effect of Member Suspension Upon Member. Other than the right to receive retired and refunded capital credits, and other than rights upon the COOPERATIVE's dissolution, a suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, a suspended Member forfeits and relinquishes any voting

rights provided by these BYLAWS. A suspended Member, however, remains subject to all obligations imposed by the Governing Documents.

- E. Lifting of Suspension. Unless otherwise determined by the COOPERATIVE in good faith, a Member's suspension is automatically lifted upon the Member rectifying, to the COOPERATIVE's reasonable satisfaction, the underlying Suspension Reason within ten (10) days of the suspension. The COOPERATIVE may lift any Member suspension for good cause as determined by the COOPERATIVE.

ARTICLE I - SECTION 9. TERMINATION OF MEMBERSHIP

Upon approval by the COOPERATIVE in good faith, and as allowed by law, a suspended Member is terminated. Termination of a Member does not release the former Member from any debts, liabilities, or obligations owed the COOPERATIVE. Upon a Member's termination from the COOPERATIVE, and after deducting any amounts owed the COOPERATIVE, the COOPERATIVE shall return to the Member any amounts authorized by the COOPERATIVE and generally returned to terminated Members and any deposit paid by the Member.

ARTICLE II

RIGHTS OF MEMBERS

ARTICLE II- SECTION 1. PROPERTY INTEREST OF MEMBERS/NONLIABILITY FOR COOPERATIVE DEBT

Members shall have no individual or separate interest in the property or assets of the COOPERATIVE ("COOPERATIVE Assets") except that every Member shall be eligible for any patronage distribution which may be declared by the BOARD of DIRECTORS in accordance with these BYLAWS, and which is distributed among Members in proportion to their patronage during the fiscal year in which such revenues and receipts were received; provided, however, that any sum available for distribution to a Member as aforesaid shall be first applied against such Member's indebtedness, if any, to the COOPERATIVE. No Member shall be individually liable or responsible for any debts or liabilities of the COOPERATIVE.

ARTICLE II- SECTION 2. VOTING RIGHTS

Each Member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the Members, or election of DIRECTORS. If a husband and wife hold a Joint Membership they shall be entitled jointly to one vote and no more upon each matter submitted to a vote at a meeting of the Members, and may be required to cast one-half (1/2) vote each if they disagree as to the conduct of any such vote.

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 or DIRECTOR election, of satisfactory evidence entitling the person presenting the same to vote. Members may not cumulate their votes or vote by proxy or mail.

ARTICLE III

MEETING OF THE MEMBERS

ARTICLE III- SECTION 1. ANNUAL MEETING

The annual meeting of the Members shall be held between March 1st and September 1st of each year (the "Annual Member Meeting"). The exact date, time and place of such Annual Member Meeting shall be designated from year to

year by the BOARD of DIRECTORS and notice shall be sent to the Members of the date, time and place of said Meeting for the purpose of passing upon reports, and transacting such other business as may come before the Meeting. Failure to hold the Annual Member Meeting shall not work a forfeiture or dissolution of the COOPERATIVE. The COOPERATIVE may also regularly hold meetings of Members (the "Regular Member Meeting"). The BOARD shall determine the date, time, and location of any Annual Member Meeting or Regular Member Meeting. At the discretion of the BOARD of DIRECTORS, the annual member meeting may be held "remotely" through a video conference; audio conference; social media platform; or similar technology to allow the annual member meeting to be conducted without the physical presence of members or its BOARD of DIRECTORS.

ARTICLE III - SECTION 2. SPECIAL MEETINGS

Special meetings of the Members (the "Special Member Meeting") may be called by the Chairman, by resolution of the BOARD of DIRECTORS, or upon a written petition signed by at least five per centum (5%) (1/20th) of the COOPERATIVE'S total current non-suspended Members (the "Total Membership") requesting, and describing the purpose of, a special meeting of the Members ("Member Demand"). It shall be the duty of the Secretary to cause notice of such Meeting to be given as hereinafter provided. Special Member Meetings may be held at any place within the State of Indiana, specified in the notice of the Special Member Meeting.

ARTICLE III-SECTION 3. NOTICE OF MEMBERS MEETINGS

Written printed, or electronic notice stating the place, whether the meeting will held "remotely" as described above in Article III, Section 1, day and hour of the meeting, and, in case of a Special Member Meeting or an Annual Member Meeting at which business other than that listed in SECTION 7 of this Article is to be transacted, the purpose or purposes for which the Meeting is called, shall be delivered to each Member not less than ten (10) days nor more than sixty (60) days before the date of the Meeting, either personally by mail, or electronically, by or at the direction of the President or Secretary, or the officers or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the COOPERATIVE, with postage thereon prepaid. If transmitted electronically, the notice is considered 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 Member Meeting or Special Member Meeting shall not invalidate any action which may be taken by the Members at any such Annual or Special Member Meeting. Notice of meetings of members may be waived in writing.

ARTICLE III - SECTION 4. WAIVER OF NOTICE

Any Member may waive, in writing, any notice of a meeting required to be given by these BYLAWS ("Member Meeting Waiver of Notice"). The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting by such Member, except in case a Member shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened. Any Member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objections.

ARTICLE III - SECTION 5. QUORUM

At least two per centum (2%) of the total number of the Members of the COOPERATIVE present in person shall constitute a quorum ("Member Quorum") for the transaction of business at all meetings of the Members. After a Member is registered or otherwise represented for any purpose at a meeting, the Member is considered present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting. If less than two percent (2%) of the total number of Members are present at said meeting, a majority of the Members so present may adjourn the meeting from time to time without further notice. Any vote cast: (1) after notice of a meeting of members is provided in accordance with subsection Article III, Section 3; and (2) before the date of the meeting of members; whether cast in person, by mail, or by electronic ballot, counts toward the quorum requirement set forth herein or toward any quorum requirement lawfully established in the cooperative corporation's articles of incorporation or in the cooperative corporation's bylaws.

ARTICLE III - SECTION 6. MAJORITY VOTE

Except as otherwise required by law, the Articles of Incorporation, or these BYLAWS, the Members take action, adopt a resolution, elect a DIRECTOR, or otherwise, as the case may be, if: (i) a Member Quorum is established; and (ii) a majority of Members present in person at the time the vote is taken on the matter, entitled to vote on the matter, and casting a vote on the matter, vote in favor of the matter. Provided, 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.

ARTICLE III- SECTION 7. ORDER OF BUSINESS

The order of business at the Annual Member Meeting, and so far as possible at all other meetings of the Members, shall be essentially as follows, or as otherwise set forth by the BOARD:

1. Determination of a Member 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. Approval of any unapproved minutes of previous meetings of the Members and taking of necessary action thereon.
4. Presentation of reports of Officers, DIRECTORS and committees for the information and education of the Members.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE III-SECTION 8. PERMITTED MEMBER ACTION AT MEETINGS

At any Special Member Meeting, Members may consider, vote, or act only upon a matter for which: (i) unless otherwise provided in these BYLAWS, the BOARD and Members were notified properly; (ii) the Members are authorized to consider, vote, or act; and (iii) for a Special Member Meeting, the notice of the Special Member Meeting properly described. Members may not raise any matter at an Annual Member Meeting or Regular Member Meeting unless said matter has been properly placed upon the agenda as provided by these BYLAWS.

ARTICLE III-SECTION 9. RECORD DATE

The BOARD may fix a date for determining the Total Membership (the "Record Date") and the Members entitled to: (i) notice of a Member Meeting; and (ii) vote at a Member Meeting. Respectively, no BOARD determined Record Date may be more than seventy (70) days prior to the date of the Member Meeting. Unless otherwise fixed by the BOARD, the Record Date for determining the Total Membership and the Members entitled to: (i) notice of a Member Meeting is the close of business on the business day preceding the day the COOPERATIVE notifies Members of the Member Meeting; and (ii) vote at a Member Meeting is the date of the Member Meeting.

The Record Date for determining the Total Membership and the Members entitled to sign a Member Demand is the close of business on the thirtieth (30th) day prior to the COOPERATIVE's receipt of Member Demands. The Record Date for determining the Total Membership and the Members entitled to notice of, or to vote at, a Member Meeting is effective for any Member Meeting adjourned to a date not more than seventy (70) days following the Record Date for determining the Total Membership and the Members entitled to notice of the original Member Meeting.

ARTICLE III-SECTION 10. MEMBER MEETING LIST

After fixing the Record Date for determining the Members entitled to notice of a Member Meeting, and through the Member Meeting, the COOPERATIVE shall prepare, update, and maintain an alphabetical list (the "Member Meeting List") indicating: (i) Members entitled to notice of, and to vote at, the Member Meeting; and (ii) the name of and address of each Member listed.

ARTICLE III-SECTION 11. ACCEPTING AND REJECTING MEMBER VOTING DOCUMENTS

Regarding any Member Meeting Waiver of Notice, Member written ballot, or other document allegedly executed by, or on behalf of, a Member (collectively, "Member Voting Document"):

- A. Acceptance. The COOPERATIVE may accept, and give effect to, the Member Voting Document if: (i) the name signed on the Member Voting Document corresponds to a Member's name, and the COOPERATIVE acts in good faith; or (ii) the COOPERATIVE reasonably believes the Member Voting Document is valid and authorized.
- B. Rejection. The COOPERATIVE may reject, and not give effect to, the Member Voting Document if the COOPERATIVE: (i) acts in good faith; and (ii) has reasonable basis for doubting the validity of the signature on the Member Voting Document or the signatory's authority to sign on behalf of the Member.
- C. Liability. Neither the COOPERATIVE, nor any Member, DIRECTOR, Officer, employee, or agent, is liable to any Member for accepting or rejecting a Member Voting Document as provided in this BYLAW.

ARTICLE IV

DIRECTORS

ARTICLE IV- SECTION 1. NUMBER OF DIRECTORS AND GENERAL POWERS

The business and affairs of the COOPERATIVE shall be governed by a BOARD of nine (9) DIRECTORS which shall exercise all the powers of the COOPERATIVE except such as are by law, or by the Articles of incorporation or by these BYLAWS, conferred upon or reserved to the members.

ARTICLE IV- SECTION 2. DIRECTOR DISTRICTS AND TENURE

The territory served by the COOPERATIVE is divided into the following districts for the election of DIRECTORS, to wit:

- District Number 1: Perry Township in Noble County, Elkhart Township in Noble County, and that part of Benton Township in Elkhart County served by this COOPERATIVE.
- District Number 2: Orange Township in Noble County and that part of Johnson Township in LaGrange County served by this COOPERATIVE.
- District Number 3: Wayne Township in Noble County and that part of Milford Township in LaGrange County served by this COOPERATIVE.
- District Number 4: All the area of DeKalb County served by this COOPERATIVE, and that part of Salem Township in Steuben County and that part of Perry Township in Allen County served by this COOPERATIVE.
- District Number 5: Sparta and York Townships in Noble County, and that part of Turkey Creek Township in Kosciusko County served by this COOPERATIVE.
- District Number 6: Jefferson and Albion Townships in Noble County.

- District Number 7: Allen Township in Noble County and Swan Township in Noble County.
- District Number 8: Washington Township in Noble County, Noble Township in Noble County, all those parts of Tippecanoe Township in Kosciusko County and Etna-Troy Township in Whitley County served by this COOPERATIVE.
- District Number 9: Green Township in Noble County.

A DIRECTOR'S term is three (3) years (a "Director Term"). The COOPERATIVE shall stagger Director Terms by dividing the total number of authorized DIRECTORS into groups of approximately equal number. Members, therefore, will annually elect an approximately equal number of DIRECTORS. Unless otherwise set forth in these BYLAWS, decreasing the number of DIRECTORS or length of Director Terms may not shorten an incumbent DIRECTOR'S Director Term. Despite the expiration of a Director Term, the DIRECTOR continues to serve until a new DIRECTOR is elected or appointed, or until the number of DIRECTORS is decreased. Unless otherwise provided in these BYLAWS, the Director Term of a DIRECTOR filling a vacant DIRECTOR'S position is the remaining unexpired Director Term of the vacant DIRECTOR'S position. DIRECTORS shall be elected annually according to the schedule set forth herein by ballot cast in person at the Annual Members Meeting; or by before the Annual Members Meeting, if cast by mail, or by electronic ballot, of the membership conducted at the Annual Member Meeting. Subject to the provisions of these BYLAWS with respect to the removal of the BOARD of DIRECTORS following the end of such three (3) year term, or until their successors shall have been elected and qualified. The BOARD of DIRECTORS shall have discretion as to which forms of ballot to allow at each Annual Members Meeting, and notice of acceptable forms of balloting for the upcoming Annual Members Meeting shall be given to Members as set forth in Article III, Section 3 (Notice of Members Meeting).

Commencing at the 2012 Annual Member Meeting, the BOARD of DIRECTORS shall be reduced by two (2) DIRECTORS from eleven (11) to nine (9) and otherwise re-district the COOPERATIVE territory. Said reduction shall consist of the removal of the seat of DIRECTOR for what shall be known as the former District Number 9 and removal of the seat of DIRECTOR for what shall be known as the former District Number 2. Upon the removal of the seat of said DIRECTORS, District Number 9, consisting of the territory of Noble Township in Noble County, shall be combined with District Number 8 to form the new District Number 8 and District Number 2, consisting of territory of Elkhart Township in Noble County, shall be combined with District Number 1 to form the new District Number 1 so that the territory is divided into districts as set forth above and served by the DIRECTORS then properly qualified and serving the various revised districts. The re-districting shall be completed so that the districts shall consist of the territories listed above.

ARTICLE IV- SECTION 3. QUALIFICATIONS, CONFLICT OF INTEREST

All DIRECTORS shall be Members of the COOPERATIVE, except as set forth below. Any DIRECTOR or DIRECTOR candidate must comply with this section. A DIRECTOR or DIRECTOR candidate must: (1) Have the capacity to enter into legally binding contracts; (2) Have earned a high school diploma or its equivalent; (3) Be a legal citizen of the United States; (4) Have not been convicted of a felony; (5) Must be able to vote in Indiana and National elections; (6) While a DIRECTOR and during five years immediately prior to becoming a DIRECTOR, not be, nor have been employed by the COOPERATIVE; (7) Be a member in good standing with the COOPERATIVE; (8) Be a citizen in good standing within the local community; (9) Have not committed acts of moral turpitude; (10) Execute an authorization for drug testing which could cause the DIRECTOR to be subject to drug screening if he/she were to be elected to the Board and reasonable suspicion exists; (11) Execute an authorization for a criminal background check; (12) Comply with any other reasonable qualifications determined by the BOARD of DIRECTORS; (13) Have not been excused for good cause by the BOARD of DIRECTORS; (14) Be a bona-fide resident (as determined by the BOARD of DIRECTORS utilizing the factors set forth in 26 C.F.R. § 1.121-1(b)(2), as amended), in the area served by a COOPERATIVE within the District from which he or she is to be or has been elected or appointed, or within the District consisting of a combination of two or more Districts as a result of the reduction of the number

of DIRECTORS on the BOARD of DIRECTORS and corresponding combination of District territories; provided, that the Chief Executive Officer, President, or Chairperson of the Board of Trustees, Managers or Directors, of any Member, which is not a natural person, such as a corporation, church, partnership, business association, or school, etc., shall be eligible to become a DIRECTOR of the Directorate District in which the principal business address of the Member with which such person is associated is located, if such person: (1) is in substantial permanent occupancy, direction or use of the premises served by the COOPERATIVE; and (2) is a permanent year-round resident within or in close proximity to an area served by the COOPERATIVE. In the event that such person ceases to be associated with the Member in the capacity of Chief Executive Officer, President or Chairperson of its Board of Trustees or Directors, during such person's term of office as DIRECTOR of the COOPERATIVE, such person shall forthwith be ineligible to continue as DIRECTOR of the COOPERATIVE and the BOARD of DIRECTORS shall fill such vacancy as provided in Article IV Section 5 of these BYLAWS. Provided further that the election of a DIRECTOR pursuant to this Section, as a representative of a corporate or institutional Member, shall preclude any other Member who is a shareholder, director, Chief Executive Officer, or Officer of the same or any related corporation or institution from serving on the BOARD of DIRECTORS of the COOPERATIVE during the term of such DIRECTOR. As used herein, the term "related" shall mean any corporation or institution which has the majority of its stock of any class or equity interest owned or controlled by the same person, family of persons, corporation, partnership, or other business association, or any corporation or institution in which the majority of the directors, managers or trustees is identical.

No person shall be eligible to become or remain a DIRECTOR of, or to hold any other position of trust in the COOPERATIVE, who is in any way employed by, or financially interested in any business which would substantially interfere with that person's ability to exercise independent business judgment on behalf of the COOPERATIVE or any of its subsidiary businesses. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a DIRECTOR, providing, however, that neither one shall be eligible to become or remain a DIRECTOR, or to hold a position of trust in the COOPERATIVE, unless both shall meet the qualifications herein set forth. In addition to all other requirements, no Member shall be eligible to be a candidate for election as a DIRECTOR or to serve as a DIRECTOR of the COOPERATIVE, if any employee of the COOPERATIVE is related to the Member in a manner that would hinder the Member in exercising fair and independent judgment as a DIRECTOR in the affairs of the COOPERATIVE. Specific relationships representing a conflict of interest include, but are not limited to, the spouse of such prospective DIRECTOR, any child or grandchild of such prospective DIRECTOR, a parent of such prospective DIRECTOR, any brother or sister of such prospective DIRECTOR, any child, grandchild, parent or brother or sister of the prospective DIRECTOR'S spouse, or the spouse of any other above-named people. In addition, no former employee or spouse of a former employee of the COOPERATIVE shall be eligible to become a candidate for DIRECTOR until the DIRECTOR election held five (5) years subsequent to the actual date of such former employee's termination of employment with the COOPERATIVE.

In addition to the other requirements for eligibility set forth herein, commencing with the DIRECTOR election in 2008 and thereafter, any DIRECTOR elected to the BOARD of DIRECTORS who has not previously served as a DIRECTOR of the COOPERATIVE shall obtain the status of Credentialed Cooperative Director (CCD) through the educational program sponsored by the National Rural Electric Cooperative Association (NRECA) or any similar successor educational program approved by the BOARD of DIRECTORS, before the end of such DIRECTOR's first three year term. A DIRECTOR failing to acquire such certification shall be ineligible for re-election to the BOARD of DIRECTORS, unless due to the occurrence of an exigent circumstance beyond the control of such DIRECTOR, he or she shall have failed to complete the course of study necessary to obtain the certification, but has no more than one (1) course remaining to attain certification. In such case, the DIRECTOR shall complete the certification requirement within the first year of his or her second term as a DIRECTOR. In the event a DIRECTOR shall fail to obtain the certification within the first year of the second term, the DIRECTOR shall be ineligible to continue serving as a DIRECTOR, and the BOARD of DIRECTORS shall declare such DIRECTOR district vacant. In such case the vacancy shall be filled as provided in the BYLAWS for the remainder of the term of the DIRECTOR who was removed, and the DIRECTOR elected to fill the vacancy shall have three (3) years during which to obtain the certification under the same terms and conditions as set forth above.

ARTICLE IV - SECTION 4. NOMINATIONS AND ELECTION

Any fifteen (15) Members of the COOPERATIVE, by signing a petition, may nominate a qualified candidate from any District of the COOPERATIVE for which there is to be elected a member of the BOARD of DIRECTORS at the next election of DIRECTORS. Such petition shall be on a form provided by the COOPERATIVE and shall be filed at the principal office of the COOPERATIVE not less than sixty (60) days nor more than one hundred and fifty (150) days prior to the date such election is to be held. Except in the case of a removal of a DIRECTOR, this procedure shall be the only method by which candidates for the position of DIRECTOR of the COOPERATIVE shall be nominated.

The Secretary of the COOPERATIVE shall post a copy of such petition promptly at the principal office of the COOPERATIVE, and such petition shall remain posted until the date on which the Secretary shall mail the Notice of Annual Member Meeting and election of DIRECTORS to the Members as hereafter provided.

The Secretary shall mail to each Member, at least ten (10) days before the election of DIRECTORS, a statement including the names of all DIRECTORS who have been nominated for election by district. The Members may, at any meeting at which a DIRECTOR or DIRECTORS shall have been removed as hereinafter provided in Section 7, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations, except that new DIRECTORS must meet all criteria pertaining to DIRECTOR qualifications provided in these BYLAWS.

DIRECTORS shall be elected by the number of votes required in Article III-Section 6 herein, and drawing by lot shall resolve, where necessary, any tie votes.

ARTICLE IV - SECTION 5. VACANCIES

Unless otherwise provided in these BYLAWS, by the affirmative vote of a majority of the remaining DIRECTORS, the BOARD of DIRECTORS shall fill any vacant DIRECTOR position, including any vacant DIRECTOR position resulting from increasing the number of DIRECTORS. If a DIRECTOR vacancy will occur at a later specified date, then the BOARD of DIRECTORS may fill the vacancy before the vacancy occurs and the new DIRECTOR takes office when the vacancy occurs. The DIRECTOR selected to fill any vacancy, as set forth herein, shall serve the unexpired portion of the prior DIRECTOR'S term of office, or until the expiration of the new DIRECTOR'S term as a result of an increase in number of DIRECTORS, as applicable.

ARTICLE IV - SECTION 6. CREDENTIALS AND ELECTION COMMITTEE

The BOARD OF DIRECTORS shall, at least ninety (90) days before any election of DIRECTORS, appoint a credentials and election committee consisting of three (3) Members who are not COOPERATIVE employees, agents, Officers, DIRECTORS, or candidates for DIRECTOR, and who do not have a conflict of interest (as defined in ARTICLE IV, SECTION 3) or Members of the same household of existing COOPERATIVE employees, agents, Officers, DIRECTORS, or candidates for DIRECTOR. In appointing the committee the BOARD shall have regard for the equitable representation of the several areas served by the COOPERATIVE. The committee shall elect its own chairperson and secretary prior to the election. It shall be the responsibility of the committee to establish and approve the validity of petitions of nomination, the qualifications of candidates, and otherwise set the ballot for the election of DIRECTORS. 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 concerning any election ballot, such protest or objection must be filed within three (3) business days following the delivery of notice of the ballot of Directors to the Members. The committee shall thereupon be reconvened, upon notice from its chairperson, not less than seven (7) days after such protest or objection is filed. The Committee shall hear: such evidence as is presented by the protestors or objectors, who may be heard in person, by counsel, or both, and any opposing evidence; and the committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the ballot or to change the ballot. The committee's decision on all matters covered by this section may be appealed to the BOARD of DIRECTORS by filing an appeal with the BOARD OF DIRECTORS within three (3) days of the committee's decision. The committee may not affirmatively act on any matter unless a majority of the committee is present.

ARTICLE IV - SECTION 7. REMOVAL OF DIRECTORS OR OFFICERS BY MEMBERS

Any Member may bring one or more charges for cause against any one or more DIRECTORS and may request the removal of such DIRECTOR(S) by reason thereof by filing with the Secretary such charge(s) in writing, under oath by the member(s) making the charge(s), together with a petition signed by not less than five percent (5%) of the Total Membership of the COOPERATIVE, which petition calls for a Special Member Meeting, the stated purpose of which shall be to hear and act on such charges, and, if one or more DIRECTORS are recalled, to elect their successors. "Cause" for removal of a DIRECTOR, used in this section as a basis for charges, shall mean alleging conduct by the DIRECTOR, either by act or omission, which amounts to gross negligence, fraud, or criminal conduct, adversely affecting the business and affairs of the COOPERATIVE. Upon filing such petition the COOPERATIVE shall set said Member Meeting at a place, time and date not less than forty (40) days nor more than seventy (70) days thereafter, or if such petition requests, that the matter be acted upon at the subsequent Annual Member Meeting if such Meeting will be held no sooner than forty (40) days after the filing of such petition. Each page of the petition shall state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the DIRECTOR(S) against whom such charge(s) is (are) being made. The petition shall be signed by each Member in the same name as he is billed by the COOPERATIVE and shall state the signatory's address as the same appears on such billings. The notice of the time, place, and purpose of such meeting shall contain the verbatim charge(s) against the DIRECTOR(S) so charged, and shall be mailed to the Members not less than ten (10) days prior to the Member meeting at which time the matter will be acted upon; provided, that the notice shall set forth only twenty (20) of the names (in alphabetical order) of the Members filing one or more charges if twenty (20) or more Members file the same charge(s) against the same DIRECTOR(S). Such DIRECTOR(S) shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the meeting of the Members at which the charge(s) are to be considered, and such DIRECTOR(s) shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such DIRECTOR(S) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nomination procedures, except that nominations shall be made from the floor; provided that the question of the removal of a DIRECTOR(S) shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected DIRECTOR shall be from or with respect to the same Directorate District as was the DIRECTOR whose office he succeeds, shall otherwise be eligible to serve as a DIRECTOR as herein required, and shall serve the unexpired portion of the removed DIRECTOR'S term.

ARTICLE IV-SECTION 8. REMOVAL OF A DIRECTOR BY DIRECTORS

Any DIRECTOR may request the removal of another DIRECTOR, for cause, by written charge which is signed, under oath, by such DIRECTOR. The allegations of cause for removal of a DIRECTOR shall be conduct, either by act or omission, which amounts to:

- a. gross negligence in the performance of the DIRECTOR's duties;
- b. fraud;
- c. a felony or misdemeanor, as defined in Indiana statutes (whether convicted by a court of law or not);
- d. a violation of the fiduciary obligations imposed upon DIRECTORS by law;
- e. maliciously filing a charge for removal of a fellow
DIRECTOR, which charge has no merit;

which conduct or omission adversely affects the business and affairs of the COOPERATIVE, including its general reputation and standing in the community.

Such charge shall be delivered to the Chairperson of the BOARD, or the Vice Chairperson if the allegations

pertain to the Chairperson. Such Officers shall direct the matter to be included as an agenda item at the next Regular Board Meeting in the event such Meeting date shall be more than ten (10) days following delivery of the charge, or at a Special Board Meeting to be held not less than seven (7) days or more than fifteen (15) days following the next Regular Board Meeting if the charge is delivered within ten (10) days of such Regular Board Meeting date.

At the Meeting, the BOARD of DIRECTORS shall consider the evidence supporting the charge and any defense thereto made by the DIRECTOR charged, or a representative of his choosing. Following the submission of such proof and any defense, the BOARD of DIRECTORS shall consider and vote on the removal of the DIRECTOR so charged in an Executive Session. The DIRECTOR charged shall be removed from the BOARD of DIRECTORS immediately upon the affirmative vote of a majority of the DIRECTORS voting on said issue.

ARTICLE IV- SECTION 9. COMPENSATION AND EXPENSES

DIRECTORS shall not receive any salary for their services as DIRECTORS; provided, however, by resolution of the BOARD OF DIRECTORS, a reasonable fixed sum per diem and expenses of attendance, if any, may be allowed for attendance at each meeting of the BOARD OF DIRECTORS and for attendance at state, regional, national, and other meetings on behalf of the COOPERATIVE where attendance is authorized by the BOARD OF DIRECTORS.

ARTICLE IV- SECTION 10. DIRECTOR CONDUCT

Unless modified or prohibited by law:

- A. DIRECTOR Standard of Conduct. A DIRECTOR shall discharge the DIRECTOR's duties, including duties as a Board Committee member: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the DIRECTOR reasonably believes to be in the COOPERATIVE's best interests.
- B. DIRECTOR Reliance on Others. Unless a DIRECTOR possesses knowledge concerning a matter making reliance unwarranted, then in discharging a DIRECTOR's duties, including duties as a Board Committee member, a DIRECTOR may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:
 - 1. One (1) or more COOPERATIVE Officers or employees whom the DIRECTOR reasonably believes to be reliable and competent in the matters prepared or presented;
 - 2. Legal counsel, public accountants, or other individuals regarding matters the DIRECTOR reasonably believes are within the individual's professional or expert competence; and
 - 3. If the DIRECTOR reasonably believes a Board Committee of which the DIRECTOR is not a member merits confidence, then the Board Committee regarding matters within the Board Committee's jurisdiction.
- C. DIRECTOR Liability. If a DIRECTOR complies with this BYLAW, then the DIRECTOR is not liable to the COOPERATIVE, any Member, or any other individual or entity for action taken, or not taken, as a DIRECTOR. No DIRECTOR is deemed a trustee regarding the COOPERATIVE or any property held or administered by the COOPERATIVE, including without limit, property potentially subject to restrictions imposed by the property's donor or transferor.

ARTICLE V

MEETINGS OF DIRECTORS

ARTICLE V- SECTION 1. REGULAR MEETINGS

A regular meeting of the BOARD of DIRECTORS shall be held monthly at the same time and place within the State of Indiana, as the BOARD of DIRECTORS may provide by resolution (a "Regular Board Meeting"). Such Regular Board Meetings may be held without notice other than these resolutions fixing the time and place thereof.

ARTICLE V- SECTION 2. SPECIAL MEETINGS

Special meetings of the BOARD of DIRECTORS may be called by the Chairman or upon written request of any three (3) DIRECTORS, and it shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided (a "Special Board Meeting"). The person or persons authorized to call Special Board Meetings may fix the time and place within or outside of the State of Indiana or such Meeting may be held via telephone conference call, without regard to the actual location of the DIRECTORS at the time of such a telephone conference meeting.

ARTICLE V- SECTION 3. NOTICE

Notice of the time, place and purpose of any Special Board Meeting shall be given at least three (3) days previous thereto, by written notice delivered personally, by facsimile, or mailed, to each DIRECTOR at his last known address.

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

ARTICLE V- SECTION 4. WAIVER OF NOTICE

Any DIRECTOR may waive in writing, any notice of a meeting required to be given by these BYLAWS. The attendance of a DIRECTOR at any meeting shall constitute a waiver of notice of such meeting by such DIRECTOR, except in case a DIRECTOR shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been properly called or convened.

ARTICLE V- SECTION 5. QUORUM

A majority of the BOARD of DIRECTORS shall constitute a quorum ("DIRECTOR Quorum") for the transaction of business at any meeting of the BOARD of DIRECTORS, provided, that if less than a majority of the DIRECTORS is present at said meeting, a majority of the DIRECTORS present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent DIRECTORS of the time and place of such adjourned meetings.

ARTICLE V- SECTION 6. MANNER OF ACTING

The act of the majority of the DIRECTORS present at a meeting at which a DIRECTOR Quorum is present shall be the act of the BOARD of DIRECTORS, unless the dictates of law provide otherwise.

Unless otherwise provided in these BYLAWS, any Regular Board Meeting or Special Board Meeting (a "Board Meeting") may be: (i) held in, or out of, any state in which the COOPERATIVE provides any Cooperative Service; and (ii) conducted with absent DIRECTORS participating, and deemed present in person, through any means of communication by which all DIRECTORS participating in the Board Meeting may simultaneously hear each other during the Board Meeting.

If a DIRECTOR Quorum is present at any Board Meeting, then: (i) in descending priority, the following Officers may preside at the Board Meeting: Chairman, Vice Chairman, Secretary, Treasurer; and (ii) if no Officer is present, or desires, to preside over any Board Meeting, then the DIRECTORS attending the Board Meeting shall elect a DIRECTOR to preside over the Board Meeting.

ARTICLE V-SECTION 7. BOARD ACTION BY WRITTEN CONSENT

Without a Board Meeting, the Board may take any action required, or permitted, to be taken at a Board Meeting if the action is: (i) taken by all DIRECTORS; and (ii) evidenced by one (1), or more, written consents (a "Director Written Consent") describing the action taken, signed by each DIRECTOR, and included with the COOPERATIVE's Board Meeting minutes. Unless the Director Written Consent specifies a different effective date, action taken by Director Written Consent is effective when the last DIRECTOR signs the Director Written Consent. A Director Written Consent has the effect of, and may be described as, a Board Meeting vote.

ARTICLE V-SECTION 8. COMMITTEES

The BOARD may create committees of the BOARD (the "Board Committees") and appoint DIRECTORS to serve on the Board Committees. Each Board Committee must consist of two (2) or more DIRECTORS, and serves at the BOARD's discretion. The BOARD may create committees of the Members (the "Member Committees") and appoint Members, including DIRECTORS, to serve on the Member Committees.

- A. Creation and Appointment of Committees. Except as otherwise provided in these BYLAWS, at least a majority of DIRECTORS currently in office must approve the: (i) creation of any Board Committee or Member Committee; (ii) appointment of DIRECTORS to any Board Committee; (iii) appointment of Members to any Member Committee and (iv) and determine the authority of any Member Committee and Board Committee.
- B. Conduct of Committee Meetings. To the same extent as the BOARD and DIRECTORS, the BYLAWS addressing Regular Board Meetings, Special Board Meetings, conduct of Board Meetings, waiver of Board Meeting notice, Board action by DIRECTOR Written Consent, and DIRECTOR Quorum and Voting apply to Board Committees and DIRECTORS serving on Board Committees, and to Member Committees and Members serving on Member Committees.
- C. Committee Authority. Except as prohibited or limited by law, the Articles, or this BYLAW, the BOARD may authorize a Board Committee to exercise BOARD authority. Although a Board Committee may recommend, a Board Committee may not act, to: (i) retire and refund capital credits; (ii) approve the COOPERATIVE's dissolution or merger, or the sale, pledge, or transfer of all, or substantially all, COOPERATIVE Assets; (iii) elect, appoint, or remove DIRECTORS, or fill any BOARD or Board Committee vacancy; or (iv) adopt, amend, or repeal these BYLAWS.

Member Committees may act as specified by the BOARD, but may not exercise BOARD authority.

ARTICLE V - SECTION 9. BOARD EXECUTIVE COMMITTEE

Unless otherwise determined by the BOARD: (i) a BOARD executive committee is comprised of the Chairman, Vice-Chairman, Secretary, and Treasurer ("Board Executive Committee"); and (ii) when impracticable or inconvenient for the BOARD to timely meet to consider a matter, and except as prohibited by law, the Articles, or these BYLAWS, the Board Executive Committee may exercise all BOARD authority regarding a matter.

The Board Executive Committee: (i) is a Board Committee; (ii) may exercise all BOARD authority granted by the BOARD and permitted by law, the Articles, and these BYLAWS; and (iii) at the next Board Meeting following any exercise of BOARD authority, shall report to the BOARD regarding the Board Executive Committee's exercise of BOARD authority.

ARTICLE VI

OFFICERS

ARTICLE VI - SECTION 1. OFFICES

The officers of the COOPERATIVE shall be a Chairman of the BOARD OF DIRECTORS, Vice Chairman of the BOARD OF DIRECTORS, a President/CEO, Secretary, Treasurer and such other officers as may be determined by the BOARD OF DIRECTORS from time to time ("Officer"). The offices of Secretary and of Treasurer may be held by the same person.

ARTICLE VI - SECTION 2. ELECTION AND TERM OF OFFICE

The Chairman, Vice Chairman, Secretary, and Treasurer shall be elected annually by and from the BOARD of DIRECTORS at the first Regular Board Meeting held after each annual election of DIRECTORS, unless a Special Board Meeting has been called as provided for in these BYLAWS. Such elections shall be conducted in accordance with procedures adopted by the BOARD, which may include nomination and election by secret ballot, if requested. EACH such Officer shall hold office until the meeting of the BOARD of DIRECTORS following each annual election of DIRECTORS, or until the new Officer is duly elected and qualified, subject to the provisions of these BYLAWS with respect to the removal of Officers. Any other Officers may be elected by the BOARD, and with such title, tenure, responsibilities and authorities, as the BOARD of DIRECTORS may from time to time deem advisable.

ARTICLE VI - SECTION 3. REMOVAL

Any Officer 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 thereby.

ARTICLE VI- SECTION 4. VACANCIES

Except as otherwise provided in these BYLAWS, a vacancy in any office may be filled by the BOARD of DIRECTORS for the unexpired portion of the term.

ARTICLE VI- SECTION 5. CHAIRMAN

The Chairman shall preside at all meetings of the Members and of the BOARD of DIRECTORS, and shall preside over any standing or ad hoc committees of the BOARD OF DIRECTORS or Members as may be necessary to operate the COOPERATIVE.

ARTICLE VI - SECTION 6. VICE CHAIRMAN

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

ARTICLE VI- SECTION 7. SECRETARY

The Secretary, or the Assistant Secretary at the direction of the Secretary, shall:

- (a) Keep the minutes of the meetings of the Members and the BOARD of DIRECTORS in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these BYLAWS or as required by law;
- (c) Be custodian of the corporate records and of the seal of the COOPERATIVE and see 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) Keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member;

- (e) Have general charge of the books of the COOPERATIVE in which a record of the Members is kept;
- (f) Keep on file at all times a complete copy of the Articles of Incorporation and BYLAWS of the COOPERATIVE containing all amendments thereto, which copy shall always be open to the inspection of any Member, and at the expense of the COOPERATIVE forward a copy of the BYLAWS and of all amendments thereto to any Member upon his written request; and
- (g) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the BOARD of DIRECTORS.

ARTICLE VI - SECTION 8. TREASURER

The Treasurer or the Assistant Treasurer at the direction of the Treasurer, shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the COOPERATIVE;
- (b) Receive and give receipts for monies due and payable to the COOPERATIVE from any source whatsoever, and deposit all such monies in the name of the COOPERATIVE in such bank or banks as shall be selected in accordance with the provisions of these BYLAWS; and
- (c) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the BOARD of DIRECTORS.

ARTICLE VI- SECTION 9. APPOINTMENT OF PRESIDENT/CHIEF EXECUTIVE

The BOARD OF DIRECTORS shall appoint a President/Chief Executive Officer, who may be, but is not required to be a Member of the COOPERATIVE, and who shall be the principal executive Officer of the COOPERATIVE. The President/Chief Executive Officer (C.E.O.) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the BOARD OF DIRECTORS to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the BOARD of DIRECTORS or by these BYLAWS to some other Officer or agent of the COOPERATIVE, or shall be required by law to be otherwise signed and executed; and shall perform such duties as are, and shall have the implied authority accorded to, the President/Chief Executive Officer of a corporation pursuant to Indiana law.

ARTICLE VI- SECTION 10. BONDS OF OFFICERS

The BOARD of DIRECTORS may require the Treasurer or any other Officer of the COOPERATIVE charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the BOARD of DIRECTORS in its discretion may also require any other Officer, agent or employee of the COOPERATIVE to give bond in such amount and with such surety as it shall determine.

ARTICLE VI- SECTION 12. ASSISTANT OFFICERS

The BOARD of DIRECTORS from time to time may appoint an Assistant Secretary and/or an Assistant Treasurer. Such assistant Officer(s) shall not be (a) member(s) of the BOARD of DIRECTORS but shall be an employee(s) of the COOPERATIVE. Such assistant Officer(s) shall serve at the pleasure of the BOARD of DIRECTORS.

ARTICLE VI- SECTION 13. OFFICER COMPENSATION

Unless otherwise provided in a BYLAW addressing DIRECTOR compensation, reimbursement, or provision of benefits, and as determined by the BOARD, the BOARD may reasonably compensate, reimburse, or provide benefits to, any Officer.

ARTICLE VI- SECTION 14. OFFICER STANDARD OF CONDUCT

Every Officer shall discharge the Officer's duties: (i) in good faith; (ii) with the care an ordinarily prudent person in a

like position would exercise under similar circumstances; and (iii) in a manner the Officer reasonably believes to be in the COOPERATIVE's best interests.

ARTICLE VI- SECTION 15. OFFICER CONTRACT RIGHTS

The election or appointment of any Officer, by itself, does not create a contract between the COOPERATIVE and the Officer. An Officer's resignation does not affect the COOPERATIVE's contract rights, if any, with the Officer.

ARTICLE VI- SECTION 16. INDEMNIFICATION

As allowed by law and the Articles, and as determined by the BOARD:

- A. Indemnification DIRECTOR or Officer. The COOPERATIVE shall indemnify:
1. An individual who is, or was, a DIRECTOR or Officer; (collectively the "Indemnification Director or Officer")
 2. Who was wholly successful, on the merits or otherwise, in defending any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal (an "Indemnification Proceeding")
 3. To which the Indemnification Director or Officer was, is, or is threatened to be made a named defendant or respondent (an "Indemnification Party")
 4. Because the Indemnification Director or Officer is, or was, a Director or Officer
 5. Against reasonable expenses, including counsel fees, (an "Indemnification Expense") actually incurred by the Indemnification Director or Officer in connection with the Indemnification Proceeding.

ARTICLE VI - SECTION 17. INSURANCE

Regardless of any indemnification authority or requirements, the COOPERATIVE may purchase and maintain insurance on behalf of any individual arising from the individual's status, as a DIRECTOR, Officer, employee, agent, or representative against: (i) any liability, including judgment, settlement, or otherwise; or (ii) reasonable expenses, including reasonable attorney fees.

ARTICLE VII

SEAL OF THE COOPERATIVE

The corporate seal of the COOPERATIVE shall be in the form of a circle and shall have inscribed thereon the name of the COOPERATIVE, the words "Noble County Rural Electric Membership Corporation, Albion, Seal, Indiana" and the figures "1936".

ARTICLE VIII

FISCAL YEAR

The fiscal year of the COOPERATIVE shall begin on the first day of January of each year and end on the last day of December in the same year.

ARTICLE IX

FINANCIAL TRANSACTIONS

ARTICLE IX- SECTION 1. CONTRACTS

Except as otherwise provided in these BYLAWS, the BOARD of DIRECTORS may authorize any Officer or Officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the COOPERATIVE, and such authority may be general or confined to specific instances.

ARTICLE IX- SECTION 2. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the COOPERATIVE shall be signed by such Officer or Officers, agent or agents, employee or employees of the COOPERATIVE and in such manner as shall from time to time be determined by resolution of the BOARD of DIRECTORS.

ARTICLE IX- SECTION 3. DEPOSITS

All funds of the COOPERATIVE shall be deposited from time to time to the credit of the COOPERATIVE in such bank or banks as the BOARD of DIRECTORS may select.

ARTICLE X

DISPOSITION OF PROPERTY AND FINANCING

ARTICLE X - SECTION 1. DISPOSITION AND PLEDGING OF PROPERTY

The COOPERATIVE shall not sell, lease, exchange, or otherwise dispose of all, or substantially all, the property of the COOPERATIVE unless (a) the same shall be authorized by a resolution duly adopted at a meeting of its Members duly called and held as provided by law and these BYLAWS, which resolution shall have received the affirmative vote of at least a majority of all of its members; provided, however, that the BOARD of DIRECTORS of the COOPERATIVE shall have full power and authority, without authorization by the Members thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust of, 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 system or related assets, all upon such terms and conditions as the BOARD of DIRECTORS shall determine, to secure any indebtedness of the COOPERATIVE to the United States of America or any agency or instrumentality thereof or to any financial institution. Upon dissolution, after (a) debts and liabilities of the COOPERATIVE shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these BYLAWS, the remaining property and assets of the COOPERATIVE shall be distributed in accordance with the applicable provisions of law.

ARTICLE X- SECTION 2. PROCEDURE UPON RESOLUTION OF BOARD OF DIRECTORS TO DISPOSE OF ASSETS

Supplementary to SECTION 1, and any other applicable provisions of law or these BYLAWS, no sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the COOPERATIVE Assets shall be authorized except in conformity with the following:

- (a) If the BOARD of DIRECTORS looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the COOPERATIVE with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition (the "Appraisal") and as to any other terms and conditions which should be considered, including any conditions required by any

policy of the BOARD of DIRECTORS in effect pertaining to procedures utilized to value the COOPERATIVE and consider the merits of any such offer.

- (b) If the BOARD of DIRECTORS, after receiving such Appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the Members, it shall first give every other rural electric COOPERATIVE corporately sited and operating in Indiana (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such rural electric COOPERATIVES, which notice shall be attached to a copy of the proposal which the COOPERATIVE has already received and copies of the respective reports of the three (3) appraisers. Such rural electric COOPERATIVES shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
- (c) If the BOARD of DIRECTORS then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the Members not less than sixty (60) days before noticing a Special Member Meeting thereon or, if such be the case, the next Annual Member Meeting, expressing in detail each condition of any such proposals, and shall call a Special Member Meeting for consideration thereof and action thereon, which meeting shall be held not less than ten (10) nor more than thirty (30) days after the giving of notice thereof to the Members; provided, that consideration and action by the Members may be given at the next Annual Member Meeting if the BOARD so determines and if such Annual Member Meeting is held not less ten (10) nor more than thirty (30) days after the giving of notice of such Meeting.
- (d) Any fifty (50) or more Members, by so petitioning the BOARD not less than thirty (30) days prior to the date of such Special or Annual Member Meeting, may cause the COOPERATIVE, with the cost to be borne by the COOPERATIVE, to mail to all Members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the BOARD has made.

The provisions of this SECTION 2 shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other rural electric COOPERATIVES if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more rural electric COOPERATIVE.

ARTICLE X- SECTION 3. PROCEDURE UPON RESOLUTION OF BOARD OF DIRECTORS TO MERGE OR CONSOLIDATE

In a manner determined by the BOARD that is consistent with this BYLAW, the COOPERATIVE may consolidate or merge with any other entity ("Consolidate or Merge").

- A. BOARD Approval. The BOARD shall not approve an agreement or plan to Consolidate or Merge (a "Consolidation or Merger Agreement") unless the agreement or plan states the following: (i) terms and conditions of the Consolidation or Merger; (ii) name of each entity Consolidating or Merging with the COOPERATIVE; (iii) name of the new or surviving Consolidated or Merged entity (the "New Entity"); (iv) manner and basis, if any, of converting memberships, or ownership rights, of each Consolidating or Merging entity into memberships or ownership rights of, or payments from, the New Entity; (v) number of directors of the New Entity, which must equal or exceed five (5); (vi) date of the New Entity's annual meeting; (vii) names of New Entity directors who will serve until the New Entity's first annual meeting; and (viii) any other information required by law.
- B. Member Approval. After the BOARD approves a Consolidation or Merger Agreement, a Member Meeting shall be duly called and held for approval of the Consolidation or Merger Agreement

as set forth in Article III Section 3 and 5. The Consolidation or Merger Agreement shall be considered approved if the Consolidation or Merger Agreement receives a majority vote required under Article III Section 6 of these BYLAWS.

- C. Notice. The COOPERATIVE shall notify DIRECTORS of any Board Meeting, and Members of any Member Meeting, at which DIRECTORS or Members may consider a Consolidation or Merger Agreement. This notice, and any material soliciting Member approval of the Consolidation or Merger Agreement must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement and the New Entity's articles of incorporation and bylaws and any provision which would require DIRECTOR or Member approval if contained in a proposed Articles or BYLAWS amendment.
- D. Other Requirements. The New Entity directors named in the Consolidation or Merger Agreement must sign and file articles of Consolidation or Merger in a manner, and stating the information, required by law. The COOPERATIVE shall comply with all other requirements for Consolidation or Merger specified by law. After a Consolidation or Merger Agreement is approved, and before articles of Consolidation or Merger are filed, the BOARD or Members may abandon the Consolidation or Merger.

ARTICLE X - SECTION 4. DISTRIBUTION OF COOPERATIVE ASSETS UPON DISSOLUTION

Upon the COOPERATIVE's dissolution the COOPERATIVE shall pay, satisfy, or discharge all COOPERATIVE debts, obligations, and liabilities, including retiring and refunding without priority all capital credits to all patrons and former patrons in proportion to the value or quantity of Cooperative Services used, received, or purchased by each patron or former patron. After paying, satisfying, or discharging all COOPERATIVE debts, obligations, and liabilities, to the extent practical and unless another manner or method of distribution is required by law, the COOPERATIVE shall then pay or distribute any remaining COOPERATIVE Assets, and any amounts received from selling any remaining COOPERATIVE Assets, to the State of Indiana.

ARTICLE XI

DISPOSITION OF ALL REVENUES AND RECEIPT

ARTICLE XI- SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED

The COOPERATIVE shall utilize all revenues and receipts as follows: first, for payment of all its current business expenses, as budgeted from time to time; second, for the establishment and maintenance of a general reserve fund for working capital to provide, among other things, for insurance, taxes, maintenance, improvements, new construction and contingencies in an amount which the BOARD of DIRECTORS shall deem reasonable; and to the establishment and maintenance of a reserve for the payment of interest on and principal of all outstanding notes, bonds, or other evidences of indebtedness issued, or the payment of which shaH have been assumed, by the COOPERATIVE. AU revenues and receipts for such fiscal year not needed for the foregoing purposes shaH be applied by the BOARD of DIRECTORS for either of or both the following purposes:

- (a.) The establishment and maintenance of a reserve fund to be used for education in the effective use of electricity; and/or
- (b.) Distribution among the Members in proportion to their patronage during the fiscal year in which such revenues and receipts were received; provided, however, that any sum available for distribution to a Member as aforesaid shall be first applied against such Member's indebtedness, if any, to the COOPERATIVE.

ARTICLE XI- SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING SERVICE

The COOPERATIVE shall at all times be operated on a COOPERATIVE non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or be payable by the COOPERATIVE on any capital furnished by its patrons. In the furnishing of Cooperative Services, the COOPERATIVE'S operations shall be so conducted that all patrons will, through their patronage, furnish capital for the COOPERATIVE. In order to induce patronage and to assure that the COOPERATIVE is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Cooperative Services in excess of operating costs and expenses properly chargeable against the furnishing of Cooperative Services, all such amounts in excess of operating costs and expenses at the moment of receipt by the COOPERATIVE are received with the understanding that they are furnished by the patrons as capital. The COOPERATIVE is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the COOPERATIVE shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the COOPERATIVE shall within a reasonable time after the close of the fiscal year publish notice in a newspaper of general circulation in each county, or in the regularly published consumer publication mailed by the COOPERATIVE to each Member, that the capital credit accounts of each Member are available for inspection in the general offices of the COOPERATIVE. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the COOPERATIVE corresponding amounts of capital. All other amounts received by the COOPERATIVE from its operations in excess of cost and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and, (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons. The patrons of the COOPERATIVE, by dealing with the COOPERATIVE, acknowledge that the terms and provisions of the Articles of Incorporation and BYLAWS and all amendments thereto shall constitute and be a contract between the COOPERATIVE and the patrons are bound-by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. Nothing herein contained shall be construed to prohibit the BOARD of DIRECTORS from applying unexpended revenues and receipts for the payment of all or any part of the indebtedness of the COOPERATIVE prior to the date when the same shall become due. It is the duty of every patron and of every person who has such capital credited to his account to cause the records of the COOPERATIVE at all times to show his proper mailing address. At such time as retirement of such capital is directed by the BOARD of DIRECTORS as provided herein, a check shall be mailed to the mailing address of each of such persons shown upon the records of the COOPERATIVE. Notwithstanding any provisions herein contained to the contrary and pursuant to I.C. 8-1-13-11; the COOPERATIVE shall recover after a period of two years any unclaimed stocks, dividends, capital credits, patronage refunds, utility deposits, account balances, or book equity for which the owner (Member or former Member) cannot be found and are the result of distributable savings of the COOPERATIVE, giving 60 days' notice in a newspaper printed in the English language and published in the county in which the COOPERATIVE locates its general headquarters, or any other written communication regularly circulated among its members. Such notice shall state the owner's name and approximate amount of owner's interest, and that if not duly claimed within 60 days of said notice, the same shall be turned over to the COOPERATIVE.

ARTICLE XI- SECTION 3. RETIREMENT OF CAPITAL CREDITS

If, at any time prior to dissolution or liquidation, the BOARD of DIRECTORS shall determine that the financial condition of the COOPERATIVE will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part.

Any such retirements of capital shall be made by such formula and in a manner prescribed by the BOARD of DIRECTORS, in its discretion; provided, however, that such formula shall otherwise be lawful, comply with any mortgage requirements to which the COOPERATIVE may be subject, and comply with the requirements of the Internal Revenue Code, as amended; provided, further, that the BOARD of DIRECTORS shall have the power to adopt rules providing for the separate retirement of that portion ("Power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the COOPERATIVE by an organization furnishing power supply or any other service or supply to the COOPERATIVE. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the COOPERATIVE'S books of such portions of

capital credited to the COOPERATIVE'S patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts and capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successor in interest or successors in occupancy in all or a part of such patron's premises served by the COOPERATIVE, unless the BOARD of DIRECTORS, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these BYLAWS, the BOARD of DIRECTORS shall, at its discretion, have the power, upon the death of any patron who was a natural person (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), to retire such capital immediately upon such terms and conditions as the BOARD of DIRECTORS, acting under policies of general application to situations of like kind, and such legal representatives shall agree upon; provided, however, that the financial condition of the COOPERATIVE will not be impaired thereby, if the legal representatives of his or her estate or his or her heirs shall request in writing that the capital so credited or assigned be retired prior to the time such capital would otherwise be retired under the provisions of the BYLAWS.

The COOPERATIVE, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the COOPERATIVE, together with interest thereon at the Indiana legal rate on judgments in effect when such amount became overdue.

ARTICLE XII

MISCELLANEOUS

ARTICLE XII- SECTION 1. RULES AND REGULATIONS

The BOARD of DIRECTORS shall have the power to make, adopt, and enforce such 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.

ARTICLE XII- SECTION 2. ACCOUNTING SYSTEM 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. The BOARD of DIRECTORS shall also cause to be made by a Certified Public Accountant a full and complete annual audit of the accounts, books and financial conditions of the COOPERATIVE as of the end of each fiscal year.

ARTICLE XII- SECTION 3. RULES OF ORDER

Parliamentary procedure at all meetings of the Members, of the BOARD of DIRECTORS, of any committee provided for in these BYLAWS and of any other committee of the Members or BOARD of DIRECTORS which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the COOPERATIVE'S ARTICLES of INCORPORATION or BYLAWS.

ARTICLE XII- SECTION 4. SCHEDULE OF RATES

The schedule of rates on Cooperative Services sold to Members shall be fixed from time to time by resolution of the BOARD of DIRECTORS.

ARTICLE XII- SECTION 5. TITLES AND HEADINGS

All titles and headings of BYLAW articles, sections, and sub-sections are for convenience and reference only, and do not affect the interpretation of any BYLAW article, section, or sub-section.

ARTICLE XII- SECTION 6. PARTIAL INVALIDITY

When reasonably possible, every BYLAW article, section, sub-section, paragraph, sentence, clause, or provision (collectively a "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the COOPERATIVE and Members, does not invalidate the remaining Bylaw Provisions.

ARTICLE XII- SECTION 7. CUMULATIVE REMEDIES

The rights and remedies provided in these BYLAWS are cumulative. The COOPERATIVE or any Member asserting any right or remedy provided in these BYLAWS does not preclude the COOPERATIVE or Member from asserting other rights or remedies provided in these BYLAWS.

ARTICLE XII- SECTION 8. ENTIRE AGREEMENT

Between the COOPERATIVE and any Member, the Governing Documents constitute the entire agreement and supersede and replace any prior or contemporaneous oral or written communication or representation.

ARTICLE XII- SECTION 9. SUCCESSORS AND ASSIGNS

To the extent allowed by law, the duties, obligations, and liabilities imposed upon the COOPERATIVE or any Member by these BYLAWS are binding upon the successors and assigns of the COOPERATIVE or Member; and the rights granted to the COOPERATIVE by these BYLAWS inure to the benefit of the COOPERATIVE's successors and assigns.

ARTICLE XII- SECTION 10. WAIVER

The failure of the COOPERATIVE or any Member to assert any right or remedy provided in these BYLAWS does not waive the right or remedy provided in these BYLAWS.

ARTICLE XII- SECTION 11. LACK OF NOTICE

To the extent allowed by law and the Articles, the failure of any Member or DIRECTOR to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or BOARD.

ARTICLE XII - SECTION 12. MEMBERSHIP IN OTHER ORGANIZATIONS

The COOPERATIVE may become a member of or purchase stock in any other organizations.

ARTICLE XIII

ARTICLE XIII- SECTION 1. AMENDMENT

These BYLAWS may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the members of the BOARD of DIRECTORS which vote may be taken at any Regular or Special Board Meeting; but only if notice of such Meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof

ARTICLE XIV

ARTICLE XIV- SECTION 1. DEFINITIONS

These BYLAWS define certain words and phrases within BYLAW sections ("Defined Terms"). Defined Terms are:

- a. Capitalized and enclosed within parenthesis and quotation marks following the Defined Term's definition; and
- b. Capitalized when otherwise used in these BYLAWS.

Unless the context requires otherwise, Defined Terms have the meaning specified in the appropriate BYLAW section. The following Defined Terms are defined in the following BYLAW sections:

Annual Member Meeting - Bylaw Article III, Section 1
Applicant- Bylaw Article I, Section 2
Appraisal - Bylaw Article X, Section 2
Articles - Bylaw Article I, Section 1
Board - Bylaw Article I, Section 1
Board Committees -Bylaw Article V, Section 8
Board Executive Committee - Bylaw Article V, Section 9
Board Meeting - Bylaw Article V, Section 6
Bylaw Provision - Bylaw Article XII, Section 6
Consolidate or Merge - Bylaw Article X, Section 3
Consolidation or Merger Agreement - Bylaw Article X, Section 3
Cooperative - Introduction
Cooperative Equipment- Bylaw Article I, Section 8
Cooperative Services - Bylaw Article I, Section 1
Defined Terms, Article XIV, Section 1
Director- Bylaw Article I, Section 3
Director Quorum - Bylaw Article V, Section 5
Director Term - Bylaw Article IV, Section 2
Director Written Consent - Bylaw Article V, Section 7
Governing Documents - Bylaw Article I, Section 2
Indemnification Director or Officer - Bylaw Article VI, Section 16
Indemnification Expense- Bylaw Article VI, Section 16
Indemnification Party- Bylaw Article VI, Section 16
Indemnification Proceeding- Bylaw Article VI, Section 16
Joint Member- Bylaw Article I, Section 5
Joint Membership -Bylaw Article I, Section 5
Member - Bylaw Article I, Section 1
Member Committees - Bylaw Article V, Section 8
Member Demand - Bylaw Article III, Section 2
Member Meeting List - Bylaw Article III, Section 10
Member Meeting- Bylaw Article III, Section 1
Member Quorum - Bylaw Article III, Section 5
Member Voting Document - Bylaw Article III, Section 11
New Entity- Bylaw Article X, Section 3
Person - Bylaw Article I, Section 1
Record Date -Bylaw Article III, Section 9
Regular Board Meeting - Bylaw Article V, Section 1
Regular Member Meeting - Bylaw Article III, Section 1
Special Board Meeting -Bylaw Article V, Section 2
Special Member Meeting - Bylaw Article III, Section 2
Suspension Reason -Bylaw Article I, Section 8
Total Membership - Bylaw Article III, Section 2

Noble County Rural Electric
Membership Corporation
PO Box 137 Albion, IN 46701

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