

MARIAS RIVER ELECTRIC COOP INC

BY-LAWS

Amended 11/1/2022

ARTICLE I

(Any reference in these by-laws to the contrary notwithstanding, the masculine shall include the feminine and neuter gender in all cases)

MEMBERSHIP

Section 1. Requirements for membership. Any person, firm, association, corporation or body politic or sub-division thereof may become a member in Marias River Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- (a) Filing and having approved by the Board of Trustees, a written application for membership on such forms as the Cooperative shall prescribe;
- (b) Purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any rules, regulations and policies adopted by the Board of Trustees, and,
- (d) Paying any deposit as may be fixed or required by any rule, regulation or policy adopted by the Board of Trustees; provided, however, that no person, firm, association, corporation or body politic or sub-division thereof shall hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable, except as provided in these by-laws.

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership receipt and membership I.D. number, which shall be in such form and shall contain such provisions as shall be determined by the Board of Trustees.

Section 3. Joint Membership. Spouses may apply for a joint membership, subject to their compliance with the requirements set forth in Section 1 of this Article. The term "member" as used in these by-laws shall be deemed to include spouses holding a joint membership and any provision relation to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

Section 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, By-Laws and rules and regulations adopted by the Board of Trustees. The outstanding membership receipt shall be surrendered, and shall be re-issued by the Cooperative in such a manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership such membership shall be held solely by the survivor. The outstanding membership receipt shall be surrendered, and shall be re-issued in such a manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Purchase of Electric Energy. Each member shall as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises, specified in his application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board of Trustees. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as Capital and each member shall be credited with the Capital so furnished as provided in these by-laws. Each member shall pay to the Cooperative such minimum amounts regardless of the amount on electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

Section 6. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two thirds of all the Trustees, expel any member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, By-Laws, or rules and regulations adopted by the Board of Trustees. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting. The membership of a member, who for a period of six (6) months, after service is available to him has not purchased electrical energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of withdrawal or termination of membership in any manner the Cooperative shall repay to the member the amount of membership fee paid by him; provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount on any debts or obligations owed by the member to the Cooperative.

ARTICLE II

Rights and Liabilities of Members

Section 1. Property Interest of Members. Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid, and all capital furnished through patronage shall have been retired as provided in these By-Laws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate members and former members each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

Meetings of Members

Section 1. Annual Meeting. The Annual Meeting of members shall be held in each calendar year at a time and place, within the service area of the Cooperative, as may be determined by the Board of Trustees, for the purpose of electing Trustees, passing upon reports for the previous fiscal year, and transact such other business as may come before the meeting by such means or methods as allowed by law as shall be designated by the Board of Trustees. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture, or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Trustees, or upon a written request signed by any three Board members, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board of Trustees and shall be specified in the notice of the special meeting.

Section 3. Notice of Members Meetings. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, a district meeting or an Annual Meeting at which business other than that listed in section 8 of this Article is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. As long as the total number of members does not exceed five hundred, ten per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or five per centum of the members present in person, whichever shall be larger, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person.

Section 5. Voting. Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these By-Laws.

Section 6. Order of Business. The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows.

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

ARTICLE IV

Trustees

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine Trustees, each of whom shall be a member of the Cooperative, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these By-Laws conferred upon or reserved to the members.

Section 2. Qualifications and Tenure.

- (a) At the Annual Meeting of the members for the year 1961, the three trustees receiving the highest number of votes shall be elected for a three year term, with the other Trustee elected for a two year term. At the Annual Meeting of members for the year 1962, the three trustees receiving the highest number

of votes shall be elected for a three year term, with the other two trustees elected for a one year term.

In the years thereafter, three trustees elected shall hold office during the respective term for which they were elected and until their successor shall have been elected and shall have qualified. If an election of trustees shall not be held on the day designated herein for the Annual Meeting, or any adjournment thereof, a special meeting of the members shall be called for the purpose of electing trustees. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

- (b) No person shall be eligible to become or remain a Trustee or to hold any position of trust in the Cooperative who:
1. Is not a member consumer of the Cooperative and a bonafide resident of the particular district which he is to represent.
 2. Is in any way employed by or financially interested in a competing enterprise or a business.

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

Section 3. Removal of Trustees by Members. Any member may bring charges against a trustee by filing such charges in writing with the secretary, together with a petition signed by at least ten per centum of the members or 300 and request the removal of such trustee by reason thereof. The trustee against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the meeting at which time the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by council and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that the new trustee must reside in the same district as the trustee in respect of whom the vacancy occurs.

Section 4. Vacancies. Subject to the provisions of these by-laws with respect to the filling of vacancies caused by the removal of trustees by the members, a vacancy occurring in the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term of the trustee in respect of whom the vacancy occurs. The member elected as trustee to fill the vacancy must reside in the same district as the trustee to whose office he succeeds.

Section 5. Compensation. Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees a fixed sum and expenses of attendance, if any, may be allowed for attending Trustee meetings or meeting authorized by the Board of Trustees. No Trustee shall receive, nor shall any close relative of a Trustee receive, compensation for serving the Cooperative, unless the payment of compensation shall be specifically authorized by a vote of the members or the service by such trustee or close relative shall have been certified by the Board of Trustees as an emergency measure.

Section 6. Indemnification. The Cooperative shall have the power to indemnify the full extent permitted by law any person who is made, or threatened to be made, a party to any action, suit or proceeding (whether civil, administrative or investigative) by reason of the fact that he is or was a trustee, officer, employee, or agent of the Cooperative, is or was serving at the request of the Cooperative as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or enterprise or of an employee benefit plan, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, and shall insure to the benefit of the heirs and personal representatives of such person.

Section 7. Insurance. The Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee, or agent of the Cooperative, is or was serving at the request of the Cooperative as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or enterprise, or of an employee benefit plan, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Cooperative would have the power to indemnify him against such liability.

Section 8. Nomination and Election of Trustees.

- (a) It shall be the duty of the Board of Trustees to appoint, not less than thirty (30) days or more than seventy (70) days before the date of a meeting of members at which time Trustees are to be elected, a committee of nominations consisting of not less than five or more than eleven members who shall be selected from different sections so as to insure equitable representation. No member of the Board of Trustees may serve on such committee. The committee, keeping in mind the principal of geographical representation, shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting a list of nominations for trustees which may include a greater number of candidates than are to be elected. Candidates must be members residing in the district and must possess the qualifications for trustee specified in Section 2 of Article IV of these By-Laws. The said official candidates, so nominated, shall be incorporated in the Secretary's notice of the meeting. Additional nominations for Trustees may be made from the floor of any annual or special meeting of members at which Trustees are to be elected. No member may nominate more than one candidate. Election of Trustees will be printed or mimeographed ballot. The ballot shall list the candidates nominated by the nominating committee, the names of candidates nominated from the floor may be written beneath the names of the official candidates by the members. Each member of the Cooperative present at the meeting shall be entitled to vote for as many candidates as there are Trustees to be elected at the meeting.
- (b) Election of Trustees: No less than ten(10) days before the Annual or Special Meeting of members, at which time Trustees are to be elected, the Secretary of the Cooperative shall mail to each member a list of the candidates nominated by the nominating committee, the names to be arranged by districts. No member shall be nominated or elected to serve as a Trustee who does not reside in the district from which Trustees are to be elected.

Section 9. Voting Districts. The territory served or to be served by the Cooperative shall be divided into eight (8) districts. District 1 shall be represented by two (2) Trustees. District No.'s 2, 3, 4,5,6,7 and 8 shall be represented by one (1) trustee each. The original eight (8) districts shall be as follows:

District No. 1	District No. 5
District No.2	District No. 6
District No. 3	District No. 7
District No. 4	District No. 8

As designated by a plat referred to as "Exhibit A" and made a part hereof. Not less than sixty (60) days before any meeting of the members at which Trustees are to be elected, a Board of Trustees shall review the composition of the several districts, and, if it should be found that inequalities in representation have developed which can be corrected by a redelineation of districts, the Board of Trustees may reconstitute the districts for the purpose of eliminating such inequalities.

ARTICLE V

Meetings of Board

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held, without notice, immediately after and at the same place as the Annual Meeting of members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board of Trustees. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or by any three (3) Trustees and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the Trustees calling the meeting shall fix the time and the place for the holding of the meeting.

Section 3. Notice of Trustees Meeting. Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered not less than five (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees

calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time; and, provided further, that the Secretary shall notify any absent Trustee of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, except as otherwise provided in these by-laws.

ARTICLE VI

Officers

Section 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary, and Treasurer. The office of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by ballot annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly after the Annual Meeting of the members. If the election of officers shall not be held at such meeting such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees following the next Annual Meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing such charges, in writing, with the Secretary, together with a petition signed by ten (10) per centum of the members, or 300, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meetings of members.

Section 4. President. The President shall:

- (a) Be the principal executive officer of the Cooperative, and, unless otherwise determined by the Board of Trustees, shall preside at all meetings of the members and Board of Trustees.
- (b) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these By-Laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) In general perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6. Secretary. The Secretary shall be responsible for:

- (a) Keeping the minutes of the meeting of the members and of the Board of Trustees in one or more books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with these By-Laws or as required by law;
- (c) The safekeeping of the Corporate books and records and affix the seal of the Cooperative 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 By-Laws;
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Keep on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Cooperative, containing all amendments thereto, which copy shall always be open to the inspection of any member upon request; and
- (f) 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 Trustees.

Section 7. Treasurer. The Treasurer shall be responsible for:

- (a) Custody of all funds and securities of the Cooperative;
- (b) Be responsible for the receipt of and issuance of receipts for money due and payable to the Cooperative from any source whatsoever, and for the deposit of all such money in the name of the Cooperative, in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; 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 Trustees.

Section 8. **Manager.** The Board of Trustees may appoint a Manager who may be, but shall not be required to be, a member of the Cooperative. The Manager shall perform such duties and shall exercise such authority as the Board of Trustees may from time to time vest in him.

Section 9. **Bond of Officers.** The Treasurer or any other officer or agent of the Cooperative charged with responsibility of the custody of its funds or property shall give a bond in such sum and with surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as is shall determine.

Section 10. **Compensation.** The powers, duties and compensation of any officer, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these By-Laws with respect to compensation for Trustees and close relatives of Trustees.

Section 11. **Reports.** The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the conditions of the Cooperative at the close of such fiscal year.

ARTICLE VII

Non-Profit Operation

Section 1. **Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or be payable by the Cooperative on any capital furnished by its patrons.

Section 2. **Patronage Capital in Connection with Furnishing Electrical Energy.** In the furnishing of electrical energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to insure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and nonmembers alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electrical energy. All other amounts received by the Cooperative from its operations in excess of cost and expenses shall, in so far 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 amounts so allocated shall be included as part of the capital credits to the accounts of patrons as herein provided.

All such amounts in excess of operating costs and expenses at the amount of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay 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. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid in cash in pursuance of a legal obligation to do so, and the patron had then furnished the Cooperative corresponding amounts of capital.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the Capital Credited to patrons' accounts may be retired in full or in part. Any such retirement of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these By-Laws, the Board of Trustees at its discretion shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to such time that the capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patron are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of

this article of the By-Laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Article VIII

Disposition of Property

The Cooperative may not sell, mortgage, lease, or otherwise dispose or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds, of trust upon, or the pledging or encumbrance of, any or all the property, assets, rights, privileges, to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or to any other financing source within the United States; provided, further, that the Board of Trustees may upon the authorization of a majority of those members of the Cooperative voting at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another cooperative or foreign corporation doing business in this state pursuant to the act under which the Cooperative is incorporated.

ARTICLE IX

Seal

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and words "Corporate Seal, Montana".

ARTICLE X

Financial Transactions

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument in the name and behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. Except as otherwise provided by law or in these By-Laws, 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, officers, agent or agents of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

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 Trustees may select.

Section 4. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of that year.

ARTICLE XI

Miscellaneous

Section 1. Membership in Other Organizations. The Cooperative upon the authorization of the Board of Trustees, may become a member of, or purchase stock in, any corporation organized on a non-profit, or for profit basis, for the purpose of engaging in or furthering the cause and purpose of the Cooperative.

Section 2. Waiver of Notice. Any member or Trustee may waive, in writing, any notice of a meeting required to be given by these By-Laws. The attendance of a member or Trustee to any meeting shall constitute a waiver of notice of such meeting by such member or Trustee, except in case a member or Trustee 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.

Section 3. Rules and Regulations. The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, and Articles of Incorporation or these By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which shall conform so long as the Cooperative is indebted to the Government or any agency or instrumentality thereof, to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. All accounts of the Cooperative shall be examined by a committee of the trustees appointed by the Board of Trustees which shall render reports to the Board of Trustees at least four times a year at regular meetings of the Board of Trustees. The Board of Trustees shall at the close of each fiscal year prepare a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit report shall be submitted to the members at the next Annual Meeting following the close of such fiscal year.

Section 5. Area Coverage. The Board of Trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XII

Amendments

These By-Laws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

CERTIFICATE

We, the undersigned Trustees and officers of the Marias River Electric Cooperative, Inc., do hereby jointly and severally state and certify that the foregoing By-Laws were, each and all in their entirety, duly adopted as the By-Laws of this Cooperative at the first meeting held in Shelby, Mt, on August 10, 1945 at 8:00 o'clock p.m. pursuant to the authority duly vested in us by the Articles of Incorporation duly adopted by the members of the Marias River Electric Cooperative, Inc., and filed in the office of the Secretary of State of the State of Montana, on the 2nd day of August, 1945.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 10th day of August, 1945.

/s/ Donald Hellinger /s/ Riley Wm. Childers /s/ Geo. W. Wilson

ATTEST:

/s/ Morris Sundby

Secretary

STATEMENT OF NONDISCRIMINATION

MARIAS RIVER ELECTRIC COOPERATIVE, INC. IS THE RECIPIENT OF FEDERAL FINANCIAL ASSISTANCE FROM THE RURAL UTILITIES SERVICE, AN AGENCY OF THE U.S. DEPARTMENT OF AGRICULTURE, AND IS SUBJECT TO THE PROVISIONS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED, THE AGE DISCRIMINATION ACT OF 1975, AS AMENDED AND THE RULES AND REGULATIONS OF THE U.S. DEPARTMENT OF AGRICULTURE WHICH PROVIDES THAT NO PERSON IN THE UNITED STATES ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, AGE, OR HANDICAP SHALL BE EXCLUDED FROM PARTICIPATION IN, ADMISSION OR ACCESS TO, DENIED THE BENEFITS OF, OR OTHERWISE BE SUBJECTED TO DISCRIMINATION UNDER ANY OF THIS ORGANIZATION'S PROGRAMS OR ACTIVITIES.

THE PERSON RESPONSIBLE FOR THE COORDINATING OF THIS ORGANIZATION'S NONDISCRIMINATION COMPLIANCE EFFORTS IS MARK GROTHO, MANAGER. ANY INDIVIDUAL, OR SPECIFIC CLASS OF INDIVIDUALS, WHO FEELS THIS ORGANIZATION HAS SUBJECTED THEM TO DISCRIMINATION MAY OBTAIN FURTHER INFORMATION ABOUT THE STATUTES AND REGULATIONS LISTED ABOVE AND/OR FILE A WRITTEN COMPLAINT WITH THIS ORGANIZATION; OR THE SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C. 20250 OR ADMINISTRATOR, RURAL UTILITIES SERVICE, WASHINGTON, DC 20250. COMPLAINTS MUST BE FILED WITHIN 180 DAYS AFTER THE ALLEGED DISCRIMINATION. CONFIDENTIALITY WILL BE MAINTAINED TO THE EXTENT POSSIBLE.