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# **By-Laws of Claiborne Electric Cooperative, Inc.**

## **ARTICLE I Membership**

### **Section 1. Requirements for Membership**

Any person, firm, association, corporation or body politic or subdivision thereof may become a member in Claiborne Electric Cooperative, Inc., (hereinafter called the "Cooperative") by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified.
- (c) agreeing to comply with and be bound by the articles of incorporation, by the bylaws of the Cooperative and by any policies, rules and regulations adopted by the Board of Directors
- (d) Provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. No member may hold more than one membership in the cooperative, and no membership in the cooperative shall be transferable.

At each meeting of the members, all applications received more than ninety days prior to such meeting and which have not been accepted or which have been rejected by the Board of Directors shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements herein above set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days notice of the date of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

### **Section 2. Membership Certificates**

Membership in the Cooperative shall be evidenced by a membership certificate/contract which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors.

In case a certificate/contract is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board of Directors may prescribe.

### **Section 3. Joint Membership**

Any two adults living in the same residence may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include two adults holding a joint membership and any provisions relating 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;
- b) The vote of either separately or both jointly shall constitute one joint vote;
- c) A waiver of a 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 director, 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 completion of a new purchase of power agreement by such holder and his or her partner in the proposed joint membership thereby agreeing to comply with the articles of incorporation, by-laws and rules and regulations adopted by the Board of Directors
- (b) Upon the death of either partner who is a party to the joint membership, such membership shall be held solely by the survivor. The purchase of power agreement shall be cancelled and a new agreement executed in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due to the Cooperative.

#### **Section 5. Deposits**

The Board of Directors shall have the authority to classify members and other users of electric energy according to the type of service furnished and the facilities required for servicing each classification. The Board of Directors shall have the authority to require an additional deposit or deposits, which shall be based upon such classification and the actual or estimated electric power consumption of the account, before furnishing electrical service to any member.

#### **Section 6. 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 monthly at rates which shall from time to time be fixed by the Board of Directors or as otherwise prescribed by law or by Public Service Commission regulation, provided, however, that the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. 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 electric energy consumed. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

#### **Section 7. Termination of Membership**

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the directors, 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 or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting.

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.

## **ARTICLE II**

### **Rights and Liabilities of Members**

#### **Section 1. Property Interest of Members**

Members shall have no individual or separate interest in the property or assets of the Cooperative except that upon dissolution the property and assets of the Cooperative remaining after all debts and liabilities of the Cooperative are paid, shall be distributed among the members in the proportions which the aggregate patronage of each member bears to the total patronage of all members.

#### **Section 2. Non-liability for Debts of the Cooperative**

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

## **ARTICLE III**

### **Meeting of Members**

#### **Section 1. Annual Meeting**

The annual meeting of the membership shall be held at such place and time as approved by the Board of Directors and designated in the notice of meeting for the purpose of passing on reports for the previous fiscal year and transacting such other business as may come before the meeting. 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 Directors, or upon a written request signed by any three directors, 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 meetings to be given as hereinafter provided. Special meetings of the members may be held at such place located within the Cooperative's service area and at such time as designated in the notice of the special meeting.

## **Section 3. Notice of Members' Meetings**

At the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member, written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business other than that listed in Section 7 of this article is to be transacted, stating the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than forty-five days before the date of the meeting, either personally or by mail, or by email, or by other electronic means. 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 pre-paid. The failure of any member to receive notice of any 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**

Three per centum of the Cooperative's total membership, present in person at a meeting, shall constitute a quorum for purposes of conducting a special meeting of the membership or the regularly-scheduled annual meeting of the membership. 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, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

## **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 bylaws.

## **Section 6. Proxies Prohibited**

At all meetings of members, a member may only vote in person. Voting by proxies for any reason whatsoever is hereby prohibited.

## **Section 7. 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 as to the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of reports of officers, Directors and committees, if any.
- (5) Unfinished business.
- (6) Such new business as shall have been published in the agenda incorporated into the official notice of the meeting.
- (7) Adjournment.

# **ARTICLE IV**

## **Directors**

### **Section 1. General Powers**

The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or the by-laws, now in effect, conferred upon or reserved to the members.

### **Section 2. Qualifications**

No person shall be eligible to become or remain a director or to hold any position of trust who:

- (a) Is not a member and bona fide resident in the area served by the Cooperative and who does not reside within the Board District the director represents (this provision shall not be applied retroactively and shall not affect any elections of directors held prior to the approval date of these changes to bylaws); or,
- (b) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or electric materials and supplies to the Cooperative;
- (c) Is the incumbent of or candidate for an elected public office in connection with which a salary or compensation in excess of \$1,000.00 per annum is paid;
- (d) Has been in any manner employed by the Cooperative during the previous ten (10) years;

Upon establishing the fact that a director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Directors to remove such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

### Section 3. Voting Districts

The territory served or to be served by the cooperative shall be divided into nine districts, each of which shall be represented by one director. The nine districts shall be defined as follows:

**District No. 1:** All of the territory encompassed by the corporate limits of the Town of Farmerville, Louisiana.

**District No. 2:** District No. 2: Starting in Junction City at the northwest corner of Union Parish, Louisiana, thence south along the western boundary of Union Parish, Louisiana, to the common corner of the parishes of Claiborne, Union, and Lincoln, then southeasterly along the southern boundary line of Union Parish, Louisiana, to the center line of State Highway No. 15, thence northerly along State Highway No. 15 to the center line of State Highway No. 549, thence northerly along State Highway No. 549 to the northern boundary line of Union Parish, Louisiana, thence west along the northern boundary line of Union Parish, Louisiana, to the point of beginning, excluding the territory encompassed by the corporate limits of the Town of Farmerville, Louisiana.

**District No. 3:** All of Union Parish, Louisiana, with the exception of Districts 1 and 2 above, and all of the area served by the Cooperative in the Parish of Ouachita, Louisiana.

**District No. 4:** All of the area served by the cooperative in the Parish of Lincoln, all of the area served by the cooperative in the Parish of Bienville East of a line drawn due North and South running along the East side of the corporate limits of Mt. Lebanon, Bienville Parish, Louisiana, and all of the area served by the Cooperative in Jackson Parish, Louisiana..

**District No. 5:** Starting at the juncture of State Highway No. 2 and U.S. Highway No. 79, thence easterly along the center line of State Highway No. 2 to its intersection with State Highway No. 9, thence northeasterly along the center line of State Highway No. 9 to the northeast corner of Claiborne Parish, Louisiana, thence southerly along the eastern boundary line of Claiborne Parish, Louisiana, to the center line of State Highway No. 146, thence northwesterly along State Highway No. 146 to its intersection with U.S. Highway No. 79 in the Town of Homer, thence northerly along the center line of U.S. Highway No. 79 to its intersection with State Highway No. 2, the point of beginning.

**District No. 6:** Starting at the juncture of State Highway No. 2 and U.S. Highway No. 79, thence westerly along the center line of State Highway No. 2 to the western boundary line of Claiborne Parish, Louisiana, thence north along the western boundary line of Claiborne Parish, Louisiana, to the north boundary line of Claiborne Parish, Louisiana, thence east along the northern boundary line of Claiborne Parish, Louisiana, to the center line of State Highway No. 9 in the northeast corner of Claiborne Parish, Louisiana, thence southwestly along State Highway No. 9 to its intersection with State Highway No. 2, thence westerly along the center line of State Highway No. 2 to its intersection with U.S. Highway No. 79, the point of beginning.

**District No. 7:** Starting at the juncture of State Highway No. 2 and U.S. Highway No. 79, thence westerly along the center line of State Highway No. 2 to the western boundary line of Claiborne Parish, Louisiana, thence south along the western boundary line of Claiborne Parish, Louisiana, to the southern boundary line of Claiborne Parish, Louisiana, thence east along the southern boundary line of Claiborne Parish, Louisiana, to the eastern boundary line of Claiborne Parish, Louisiana, thence north along the eastern boundary line of Claiborne Parish, Louisiana, to the center line of State Highway No. 146, thence northwesterly along State Highway No. 146 to its intersection with U.S. Highway No. 79 in the Town of Homer, thence northerly along the center line of U.S. Highway No. 79 to its intersection with State Highway No. 2, the point of beginning.

**District No. 8:** All that portion of Webster Parish North of the center line of U.S. Highway No. 80.

**District No. 9:** All that part of Webster Parish South of the center line of U.S. Highway No. 80 and all that portion of Bienville Parish served by the Cooperative West of a line running due North and South drawn along the East side of the corporate limits of Mt. Lebanon.

The Board of Directors shall provide for elections in each district as the term of office of the director from that district expires. Such elections shall be held on a staggered basis, three districts per year. All directors elected subsequent to the election held in December, 1956, shall serve for a term of three years from the date of expiration of their previous terms. Should balloting at a district meeting result in a tie vote, the winner shall be determined by drawing lots.

All district meetings shall be held on the First Saturday in the Month of December at such times and locations as the Board of Directors may designate from time to time. The Board of Directors shall appoint a chairman for each district meeting called by it. One hundred members present in person shall constitute a quorum for transaction of business at any district meeting. If less than a quorum is present at any district meeting, the incumbent, if nominated, shall automatically be declared elected, and those present shall adjourn the meeting and the chairman shall notify the Board of Directors that a quorum failed to attend the meeting. If a quorum is not present and the incumbent is not nominated, the Board of Directors shall appoint a director from the pool of nominees. If no nominees are submitted, the vacancy shall be filled according to Article IV, Section 6.

#### **Section 4. Nomination**

Any three (3) members living within a district and acting together, may make a nomination in writing not less than 45 days nor more than 90 days prior to the meeting and the secretary shall post such nominations at the principal office of the Cooperative in both Union and Claiborne Parishes. If only one nomination is submitted, the Board of Directors will declare the nominated candidate as the winner and may choose not to hold a meeting. If no nominations are submitted, the seat will be considered a vacancy and will be handled according to Article IV, Section 6 of these bylaws.

#### **Section 5. Removal of Directors by Members**

Any member may bring charges against a director by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members residing in the district from which the director was elected. The director against whom such charges are brought shall be informed in writing thereof at least thirty days prior to the meeting at which the charges are to be considered and shall have opportunity at 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 be given the same opportunity. The question of the removal of such director shall be considered and voted upon at the next regular or special meeting of the members from that district and any vacancy created by such removal may be filled by vote of the members at such meeting for the remainder of the term of such director.

#### **Section 6. Vacancies**

A vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors for the unexpired portion of the term of the Director in respect of whom the vacancy occurs.

#### **Section 7.**

Except as noted below, no change shall be made in this Article IV of the by-laws unless made at a regular or special membership meeting and approved by two-thirds (2/3rds) of those members of the cooperative who are present and voting in person at such meeting. However, changes to Voting District boundaries may, from time to time, be made by the Board of Directors based upon the needs of the Cooperative. Such changes shall require the unanimous consent of the full Board.

#### **Section 8.**

If any clause, phrase, portion or section of this Article should be voided as ultra vires or unlawful, it shall not affect the validity of the remaining portion hereof.

### **ARTICLE V.**

#### **Meeting of Directors**

##### **Section 1. Regular Meetings**

A regular meeting of the Board of Directors shall be held monthly at such time and place as the Board of Directors may designate from time to time. Such regular monthly meetings may be held with notice as provided in Section 3 of this article.

##### **Section 2. Special Meetings**

Special meetings of the Board of Directors may be called by the President or by any three Directors, 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 Directors calling the meeting shall fix the time and place (which shall be generally located within the service territory of the Cooperative) for the holding of the meeting.

##### **Section 3. Notice of Directors' Meetings**

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered not less than three days previous thereto, either personally or by mail or by email or other electronic delivery, by or at the direction of the Secretary, or upon a default in duty by the Secretary, the President or the Directors calling the meeting, to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon pre-paid.

##### **Section 4. Quorum.**

A majority of the Board of Directors shall constitute a quorum, provided, that if less than such 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 meeting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

### **ARTICLE VI**

#### **Officers**

### **Section 1. Number**

The officers of the Cooperative shall be a President, vice-President, Secretary and Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

### **Section 2. Election and Term of Office**

The officers shall be elected annually by and from the Board of Directors at the meeting of the Board of Directors 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 Directors following the next succeeding 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 Directors for the unexpired portion of the term.

### **Section 3. Removal of Officers and Agents by Directors**

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests 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 per centum of the members, and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least thirty days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect 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 officer shall be considered and voted upon at the next regular or special meeting of the members.

### **Section 4. President**

The President shall:

- (a) be the Principal Officer of the Cooperative and, unless otherwise determined by the members or the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- (b) sign, with the Secretary, or cause to be signed, certificates of membership/contracts, the issue of which shall have been authorized by the Board of Directors or the members, and 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 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 Directors 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 be assigned to him by the Board of Directors.

### **Section 6. Secretary**

The Secretary shall:

- (a) Keep or cause to be kept the minutes of the meetings of the members and of 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 affix the seal of the Cooperative to all documents requiring such action, 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 or cause to be kept a register of the names and post office addresses of all members;
- (e) Sign, with the President, or authorize the signing of certificates of membership/contracts, the issue of which shall have been authorized by the Board of Directors or the members;
- (f) Have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) Keep or cause to be kept 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 each member requesting such copy or copies; and
- (h) 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.

### **Section 7. Treasurer**

The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Cooperative.
- (b) Be responsible for the receipt of and the issuance of receipts for monies due and payable to the Cooperative from any source whatsoever, and for the deposit of 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 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 Directors.

### **Section 8. Manager**

The Board of Directors may appoint a manager who may be, but who 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 Directors may from time to time vest in him.

### **Section 9. Bonds of Officers**

The Treasurer, and any officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. 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.

### **Section 10. Compensation**

The powers, duties and compensation (including but not limited to salary, per diem, insurance, retirement or other benefits) of any officer, director, agent or employee, shall be fixed by the Board of Directors.

### **Section 11. Report**

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 condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII**

### **Disposition of Revenues and Receipts**

Revenues of the Cooperative for any fiscal year in excess of the amount thereof necessary may be used:

- (a) To defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;
- (b) To pay interest and principal obligations of the Cooperative coming due in such fiscal year;
- (c) To finance, or to provide a reserve for the financing of, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board of Directors;
- (d) To provide a reasonable reserve for working capital;
- (e) To provide a reserve for the payment of indebtedness of the Cooperative maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year, and;
- (f) To provide a fund for education in the cooperative business model and for the dissemination of information concerning the effective use of electric energy and other services made available by the Cooperative.

Such margins may, by a vote of the Board of Directors, be distributed by the Cooperative to its members as patronage refunds prorated in accordance with the patronage of the Cooperative by the respective members paid for during such fiscal year and all prior years.

## **ARTICLE VIII**

### **Disposition of Property**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber any of its property other than:

- (a) Property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities; provided, however, that all sales of such property shall not in any one (1) year exceed in value ten per centum (10) of the value of all of the property of the Cooperative;
- (b) Services of all kinds, including electric energy; and
- (c) Personal property acquired for resale unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of the members voting in person and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided however, that notwithstanding anything herein contained the Board

of Directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, Reconstruction Finance Corporation, or any agency or instrumentality thereof, or such entity or entities as may be approved by the Board of Directors from time to time, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness, and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired and wherever situated, all upon such terms and conditions as the Board of Directors shall determine. Provided further that no change shall be made in this article (Article VIII) of the by-laws unless made at a regular or special membership meeting and approved by two-thirds (2/3) of the entire membership of the Cooperative present and voting in person.

1. Any attempt or proposed action for the sale, mortgage, lease or other disposal of all or a substantial portion of the property and assets of this corporation whether it is proposed under the provisions of LA R.S. 12:418 or of LA R.S. 12:421 shall be deemed by this cooperative to be a disposition of property and shall be subject to the provisions of Article VIII of the by-laws and in particular, to the requirement of the approval by two-thirds of the entire membership of the cooperative.

2. No merger of this cooperative with any other entity may be approved without the consent of two-thirds of the entire membership of the cooperative.

3. Any effort or attempt to merge this cooperative with another entity shall be deemed to be a proposed sale or disposition of the property and assets of the cooperative and shall be subject to the approval of two-thirds of the entire membership of the cooperative.

4. In the event of the dissolution of this cooperative under the provisions of LA R.S. 12:418, this cooperative may not continue to provide electrical service to its members for a period of greater than sixty (60) days.

5. The term "winding up" as defined as utilized in LA R.S. 12:418B(3) shall, for purposes of this cooperative be defined to not include the continual operation of the business affairs of the cooperative and shall be limited to a period of not more than sixty (60) days from the vote, if approved, of two-thirds of the entire membership of the cooperative as provided hereinabove.

6. The term "liquidation" as utilized in LA R.S. 12:418B(5) shall be deemed by this cooperative not to mean or permit the sale of all or a substantial portion of the assets or operations of this cooperative to another entity.

## **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 the words "Corporate Seal, Louisiana."

## **ARTICLE X**

### **Financial Transactions**

#### **Section 1. Contracts**

Except as otherwise provided in these by-laws, 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.

#### **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, 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.

#### **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.

#### **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 the same year.



## **ARTICLE XI**

### **Miscellaneous**

#### **Section 1. Membership in Other Organizations**

The Cooperative shall not (except as provided in this Section) become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these by-laws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business. Nevertheless, the Cooperative may, by a two-thirds vote of the board members, at any regular or special meeting of its Board of Directors, become a member in any other cooperative or corporation or acquire and/or own stock therein.

#### **Section 2. Waiver of Notice**

Any member or Director may waive in writing, any notice of meeting required to be given by these by-laws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or Director 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 Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the 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 directors shall cause to be established and maintain a complete accounting system which shall conform to the system required by the National Association of Regulatory Utility Commissioners. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial conditions of the Cooperative as of the end of such fiscal year. Once available, such audit reports shall be made available for inspection by members.

## **ARTICLE XII**

These by-laws may be altered, amended or repealed by the members of the Cooperative at any regular or special meeting. The notice of the meeting shall contain a copy of the proposed amendment, alteration or repeal to be considered at the meeting.