

**BYLAWS
OF
WHETSTONE VALLEY ELECTRIC
COOPERATIVE, INC.**

Amended March 21, 2009

WHETSTONE VALLEY ELECTRIC COOPERATIVE

OUR PURPOSE

Whetstone Valley Electric Cooperative exists to enhance the quality of life in our service area by safely and reliably providing competitively priced electricity, products and services to our members and the community.

OUR VALUES

There are four core values that inspire us, guide us, and define the way we carry out the business of the cooperative. These shared values are the foundation of our commitment to excellence in service and personal achievement.

- **INTEGRITY** To earn the trust of our members and co-workers, we will work with the highest degree of professionalism and honesty.
- **ACCOUNTABILITY** By embracing cooperative principles, communicating our plans and performance, and taking responsibility for our actions we will work as a team to accomplish our goals.
- **INNOVATION** Through education, teamwork, creativity, and embracing new technology we will find the best ways to provide service and value.
- **COMMITMENT TO COMMUNITY** As caring partners in the community, we will be leaders in investing time and resources to make our community a better place in which to live and work.

OUR MISSION

Our Mission is to provide the highest level of service, quality and value to our members and patrons in all that we do.

SECTION 4. Accounting System and Reports.

The board of directors shall cause to be established and maintained a complete accounting system, which among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the administrator of the Rural Utilities Service (formerly known as the Rural Electrification Administration) of the United States of America. The board of directors shall also cause to be made after the close of each fiscal year, by a certified public accountant, a full and complete audit of accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of audit shall be submitted to the members at the next following annual meeting.

SECTION 5. Area Coverage.

The board of directors shall make diligent efforts to see that electric service is extended to all unserved persons within the Cooperative's 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 bylaws may be altered, amended, or repealed by the members at any regular or special meeting provided the notice of such meeting shall specify the nature of the proposed alteration, amendment or repeal.

The Board of Directors by a majority vote may sponsor or propose Bylaw Amendments.

Bylaw amendments proposed by the membership must be:

1. Sponsored by, and accompanied by a dated petition containing the printed names, addresses, and original dated signatures, obtained within sixty (60) days of the petition date, of at least twenty-five (25) members entitled to vote on the bylaw amendment;
2. Delivered to, and received by, the Cooperative at least sixty business days prior to the meeting at which the members will consider the proposed bylaw amendment;
3. After review by the Board of Directors, be determined lawful; and
4. Not altered or modified after delivery to the Cooperative.

or all of the property, assists, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenue and income therefrom, all upon such terms and conditions as the board of directors shall determine to secure any indebtedness of the cooperative to United States of America or any instrumentality or agency thereof or any other lender; provided further, that the board of directors may upon the authorization of a majority of those members of the Cooperative present at a meeting of all 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 this Cooperative rated, or to a municipality or other body politic or subdivision thereof.

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, South Dakota."

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts.

Except as otherwise provided in these bylaws the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instruments in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations.

The cooperative may become a member of other cooperatives, corporations or organizations and may hold stock therein in any manner authorized by law.

SECTION 2. Waiver of Notice.

Any member or director may waive in writing any notice of a meeting required to be given by these bylaws either before or after such meeting. 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 on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations.

The board of directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of conversion, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

Statement of Nondiscrimination

Whetstone Valley Electric Cooperative, Inc., Milbank, S.D., has filed with the Federal Government a Compliance Assurance in which it assures the Rural Utilities Service Administration that it will comply fully with all requirements of the Title VI of the Civil Rights Act of 1964, all requirements of Section 504 of the Rehabilitation Act of 1973, as amended, and all requirements of Age Discrimination Act of 1975, as amended, and all requirements of the rules and regulations of the U.S. Department of Agriculture to the end that no person in the United States shall, on the ground of race, color or national origin, or solely by reason of such person's handicap or on the basis of age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program or the operation of its facilities.

Under the Assurance, this organization is committed not to discriminate against any person on the grounds of race, color or national origin, solely by reason of such person's handicap or on the basis of age, in its policies and practices relating to application for service or any other policies and practices relating to treatment of beneficiaries and participants including employment, rates, conditions and extension of service, admission or access to or use of any of its facilities, attendance at and participation in any meetings of beneficiaries and participants or the exercise of any rights of such beneficiaries and participants in the conduct of the operations of this organization. The person in this organization responsible for coordination the nondiscrimination compliance efforts of this organization is Manager Steve Ahles.

Any individual, or any specific class of individuals, who feels subjected by this organization to discrimination prohibited by Title VI of the Civil Rights Act, by Section 504 of the Rehabilitation Act, by Age Discrimination Act or by the rules and regulations of the U.S. Department of Agriculture may personally or through a representative, file with the Office of the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; the Office of Advocacy and Enterprise, U.S. Department of Agriculture, Washington, D.C. 20250; or this organization, or all a written complaint. Such complaint must be filed not later than 180 days after the alleged discrimination, or by such later date to which the Secretary of Agriculture or the administrator of the Rural Utility Service extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations of the U.S. Department of Agriculture.

**BYLAWS
OF
WHETSTONE VALLEY ELECTRIC
COOPERATIVE, INC.**

ARTICLE I	MEMBERSHIP
ARTICLE II	RIGHTS & LIABILITIES OF MEMBERS
ARTICLE III	MEETINGS OF MEMBERS
ARTICLE IV	DIRECTORS
ARTICLE V	MEETINGS OF DIRECTORS
ARTICLE VI	OFFICERS
ARTICLE VII	NON-PROFIT OPERATION
ARTICLE VIII	DISPOSITION OF PROPERTY
ARTICLE IX	SEAL
ARTICLE X	FINANCIAL TRANSACTIONS
ARTICLE XI	MISCELLANEOUS
ARTICLE XII	AMENDMENTS

former member to the Cooperative, together with interest thereon at the South Dakota legal rate on judgments in effect when such amount became overdue, compounded annually. The Cooperative shall have a first lien upon all certificates of interest, membership, patronage capital, or other interest standing on its books for all indebtedness of the respective holders or owners thereof to the Cooperative.

Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at all times upon the death of any member, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the board of directors, acting under policies of general application and the legal representatives of such member's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The members of the Cooperative by dealing with the cooperative acknowledge that the terms and provisions of the articles of conversion and bylaws shall constitute and be a contract between the Cooperative and each member, and both Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provision. The provisions of this article of the bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 3. Non-Member and Non-Operating Margins

Funds and amounts received from non-members of the cooperative and funds and amounts other than operating margins generated from providing electrical service, received by the Cooperative that exceed the Cooperatives costs and expenses may be used by the Cooperative as permanent, non-allocated capital.

SECTION 4. Publications and Subscription Fees.

The board of directors is hereby authorized to assess and collect from the revenues from each member each year the amount necessary to pay the subscription fee for the Cooperative's official publication, which is a newsletter or periodical published either by the Cooperative alone or in cooperation with others for the purpose of providing information and notices to the membership.

**ARTICLE VIII
DISPOSITION OF PROPERTY**

The Cooperative may not sell, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, 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 the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of directors of the 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 encumbering of, any

**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 members. No interest of dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 2. Patronage Capital in Connection With Furnishing Electric Energy.

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all members through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable from the furnishing of electric energy. ("Operating Margins") 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 members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the 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 member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for 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 pro rata basis before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members accounts may be retired in full or in part. After January 1, 1996, the board of directors shall determine the methods, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however may any such capital be retired unless, after the proposed retirement, the capital of the Cooperative shall equal at least twenty per centum (20%) of the total assets of the Cooperative.

Capital credited to the account of each member 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 part of such member's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

The Cooperative, before retiring any capital credited to any member or former members account, shall deduct therefrom any amount owing by such member or

**BYLAWS
OF
WHETSTONE VALLEY ELECTRIC
COOPERATIVE, INC.**

**ARTICLE I
MEMBERSHIP**

SECTION 1. Requirements of Membership.

Any natural person, firm, association, corporation, partnership, business trust, federal agency, state or political subdivision thereof may become a member of Whetstone Valley Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- a) Making a written application for membership therein;
- b) Agreeing to purchase from the Cooperative electric power and energy on terms and conditions for electric service as adopted by the board of directors and;
- c) Agreeing to comply with and be bound by articles of incorporation, bylaws of the Cooperative, any policies, rules, regulations and rate schedules established and adopted by the board of directors as well as any particular classification of service for which the board of directors shall require it, such application shall be accompanied by a supplemental contract executed by the applicant on such form as is provided therefore by the Cooperative.

No member may hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable except provided in these bylaws.

SECTION 2. Joint Membership.

A husband and wife, or partnership, 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 a husband and wife, or a partnership, 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 of 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 have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of meeting;
- b) The vote of either separately or both jointly shall constitute one joint vote;
- c) A proxy executed by either or both shall constitute on joint proxy;
- d) A waiver of notice signed by either or both shall constitute a joint waiver;

- e) Notice to either shall constitute notice to both;
- f) Expulsion of either shall terminate the joint membership;
- g) Withdrawal of either shall terminate the joint membership;
- h) Either but not both may be elected or appointed as an officer or director, provided that both met the qualifications for such office.

SECTION 3. 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 or partner to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board of directors.
- b) Upon the death of either spouse or partner who is a party to a joint membership, such membership may be terminated and new membership issued. The estate of the deceased and /or the withdrawing spouse shall not be released from any debts due this Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint; **PROVIDED**, that the other spouse shall not be released from any debts due the Cooperative.

SECTION 4. Purchase of Electric Energy.

Each member shall purchase from the Cooperative all purchased 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; 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. 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 by these bylaws. Each member shall pay the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the board of directors 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 5. Termination of Membership.

- a) 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 fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the board of directors, but only if such expulsion does not violate the laws of the State of South Dakota and the member shall have been given written notice by the secretary of the Cooperative that such failure makes him liable to expulsion and such 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

SECTION 9. Bonds of Officers.

The treasurer and any other officers or agent of the Cooperative charged with the responsibility for the custody of any of its funds or property shall be bonded in such sum and with surety as the board of directors shall determine. The board of directors in its discretion may also require any other office, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Compensation.

The powers, duties and compensation of officers, agents and employees shall be fixed by the board of directors, subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.

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

SECTION 12. Indemnification of Officers, Directors, Employees and Agents: Insurance.

- a) Each director, officer, employee, or person acting as agent for or on behalf of the corporation now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such director, officer, employee or agent for said cooperative, or by reason of any action alleged to have been taken, omitted, or neglected by him as such director, officer, employee or agent and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability, provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence.
- b) The amount paid to any such person by way of indemnification shall not exceed his actual, reasonable and necessary expenses incurred in connection with the matter involved, such additional amount as may be fixed by a committee of not less than five persons nor more than seven persons selected by the board of directors, employees or persons performing services for the Cooperative, and any determination so made shall be prima facie evidence of the reasonableness of the amount fixed or binding on the indemnified officer, director, employee or agent. The right of indemnification hereinabove provided shall not be exclusive of any rights to which any director, officer, employee or agent may otherwise be entitled by law.
- c) The cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, cooperative, partnership, joint venture, trust or other enterprise against any liability asserted against him or 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 under the provisions of this section.

- b) Sign, with the secretary, , 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 office or agent of the Cooperative, or shall be required by laws 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 may 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 in books provided for that purpose;
- b) See that all notices are duly given in accordance with these bylaws or as required by law;
- c) Keep or cause to be kept the corporate 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 bylaws;
- d) Keep or cause to be kept a register of the names and post office addresses of all members;
- e) 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).
- 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/her by the board of directors.

SECTION 7. Treasurer. The Treasurer shall:

- a) Be responsible for all funds and securities of the Cooperative;
- b) Be responsible for the receipt of and the issuance of receipts for all money due and payable to the Cooperative 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 bylaws, except as may be delegated by the board of directors; and
- c) In general perform all 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.

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 electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, shall be canceled by resolution of the board of directors.

- b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership 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 application of capital credited to the account of a member as provided in these bylaws shall be repaid to the member only in accordance with provisions of these bylaws with respect to the retirement of patronage capital.

**ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS**

SECTION 1. Property Interest of Members.

Upon dissolution, after (a) all 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 among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been inexistence 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 the debts for the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

**ARTICLE III
MEETING OF MEMBERS**

SECTION 1. Annual Meeting.

During the first one-half of each calendar year, beginning with the calendar year 1959, the annual meeting of the members shall be held at such place in the counties of Grant or Roberts, State of South Dakota, as shall be designated by the board of directors in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board of directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture of 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 (10%) or more of the members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Grant or Roberts, State of South Dakota, specified in the notice of the special meeting.

SECTION 3. Notice of Member's Meetings.

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 requiring special notice 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 doesn't not exceed one thousand, five per centum (5%) of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed one thousand, fifty members present in person 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 upon each matter submitted to a vote at a meeting of the members voting thereon in person, except as otherwise provided by law, the articles of conversion, or by these bylaws.

Mail voting is authorized either by a majority vote of the directors or by petition of not less than twenty-five (25) members requesting mail voting, unless prohibited by these bylaws or South Dakota law.

If mail voting is authorized on a particular matter, it shall be the sole method of voting on that matter. The board of directors may prescribe any conditions procedures or limitations of such voting subject to the provisions of the bylaws. Member ballots voted by mail may be returned and counted before or at any membership meeting, and each ballot submitted counts as a member present and voting at a meeting for any quorum requirements of SDCL § 47-21-56 or the cooperative's bylaws. No cooperative member may vote by proxy on any issue.

In processing the procedure for mail voting, the Secretary shall be responsible for the enclosure with the notice of such meeting of an exact copy of such motion or resolution to be acted upon. **PROVIDED**, that any mail vote valid at any meeting shall be valid at any adjournment thereof. In the event a member executes two (2) or more mail votes for the same meeting or any adjournment

further, that the secretary shall notify any absent directors of the date, 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 except as otherwise provided in these bylaws.

**ARTICLE VI
OFFICERS**

SECTION 1. Number.

The officers of the Cooperative shall be a president, vice president, secretary, treasurer and such other officers as may be determined by the board of directors from time to time. The offices of secretary and treasurer may be held by the same person.

Notwithstanding the duties, responsibilities and authorities of the secretary and of the treasurer hereinbefore provided in Article VI. Sections 6 and 7, the board of directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officers such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the board does so delegate with respect to any such officer, that officer as such shall be relieved from such duties, responsibilities and authorities.

SECTION 2. Election and Term of Office.

The officers shall be elected by ballot, annually by and from the board of directors at the meeting of the board of directors held immediately after the annual meeting of 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, and by filing with the secretary such charges in writing together with a petition signed by ten per centum (10%) of the members, 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 days prior to the board 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. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President. The President shall:

- a) be the principle executive 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;

SECTION 7. Ordinary Vacancies of the Board of Directors.

A vacancy occurring in the board of directors shall be filled by the members at the next annual membership meeting for the unexpired portion of the term. Directors may be elected by a plurality vote of the members present. Candidates shall be nominated according to Article IV Section 4.

A member elected as director to fill a vacancy must reside in the same district as the director whose office he succeeds.

SECTION 8. Compensation.

Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors, and for attendance at any other meeting of behalf of the Cooperative which is authorized by the board of directors. No director shall receive compensation for serving the Cooperative, unless the payment and the amount of compensation shall be specifically authorized by a vote of the members or the service by such director or close relative shall have been certified by the board of directors as an emergency measure.

**ARTICLE V
MEETING OF DIRECTORS**

SECTION 1. Regular Meetings.

A regular meeting of the board of directors shall be held without notice, immediately after, and at the same location as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such date, time and place in Grant or Roberts counties, South Dakota, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the date, time and place thereof.

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 as hereupon 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 date, time and place for the holding of the meeting.

SECTION 3. Notice of Director's Meetings.

Written notice of the date, time, place and purpose of any special meeting of the board of directors shall be delivered to each director not less than five 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 directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at the address as it appears on the records of the Cooperative with postage thereon prepaid.

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

thereof, the most recently dated mail vote shall revoke any mail vote theretofore executed by such member for such meeting or for such adjournment thereof, as the case may be, and if such mail votes carry the same date, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall not revoke any mail vote theretofore executed by such member for such meeting or for such adjournment thereof, as the case may be.

If a husband and wife hold a joint membership, they shall jointly be entitled to vote by mail as provided in this section.

The failure of any member to receive a copy of any such motion or resolution shall not invalidate any action which may be taken by members at any such meeting.

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 person in order to determine the existence of a quorum.
2. Report on the number of persons represented by proxy and the names of their respective proxies.
3. 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.
4. Presenting or reading of unapproved minutes of previous meetings of the members, or waiving the reading thereof, and the taking of necessary action thereon.
5. Presentation and consideration of reports of officers, directors and committees.
6. Election of directors.
7. Unfinished business.
8. New business.
9. 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 conversion, or these bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office.

All directors to be elected shall be voted upon by secret ballot at each annual meeting of the members beginning with the year 1959 by and from the members to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. If an election of directors shall not be held on a day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter. Directors may be elected by a plurality vote of the members present. Each director shall be elected for a term of three years. No person may serve more than three consecutive terms or a total of nine consecutive years as a director. However, this restriction does not apply to partial terms to which a Director may be appointed.

SECTION 3. Qualifications.

No person shall be eligible to become or remain a director who:

- (a) Is not a member and bona fide resident of the particular district which he is to represent; or
- (b) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative.
- (c) Has failed to attend at least 2/3 of all regular board meetings during any consecutive twelve (12) month period.
- (d) Has been employed by the Cooperative in the past five years.
- (e) Has pled guilty or has been convicted of a:
 - (i) A felony,
 - (ii) Any crime involving dishonesty, or
 - (iii) Any crime involving moral turpitude

Upon establishments of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove such director from office.

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

SECTION 4. Nominations. Nomination of directors shall be by petition.

The Secretary shall be responsible for notifying members about the nomination of candidates for director and the availability of nominating petitions. Any six (6) or more members of the same district affixing their signatures to a petition provided by the Cooperative can nominate a qualified person as a candidate for director from their district. Petitions must be submitted to the Secretary not less than forty (40) days prior to the annual meeting, the Secretary shall be responsible for notifying members of the number of directors to be elected and the names of the nominated candidates.

SECTION 5. Voting Districts.

The territory served or to be served by the Cooperative shall be divided into nine districts in such as way as to give equitable representation to all members. Each district shall be represented by one director. The nine districts shall be as hereby listed.

District I

Drywood Lake Township
Goodwill Township
Easter Township
Agency Township
Lawrence Township

District II

Becker Township
Lee Township
Lake Township

District III

Spring Grove Township
Summit Township
Springdale Township
Garfield Township
Alto Township
Ortley Township

District IV

Geneseo Township
Lockwood Township

District V

Twin Brooks Township
Kilborn Township
Osceola Township
Mazeppa Township
Leola Township

District VI

Big Stone Township
Melrose Township

District VII

Grant Center Township
Alban Township

District VIII

Stockholm Township
Madison Township
Vernon Township

District IX

Adams Township
Waverly Township
Troy Township
Antelope Valley Township
Georgia Township

SECTION 6. Removal of Directors by Members.

Any member may bring charges against a director and, by filing with the secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members 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 to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the 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 the new person elected must reside in the same district to serve unexpired portion of removed director's term.