BYLAWS

FOR

MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

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INDIANA 46563
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ALSO
ARTICLES and AMENDED ARTICLES OF
INCORPORATION

Amended and Restated November 9, 2026

BYLAWS

FORWARD

This document contains the Bylaws and the Articles of Incorporation for your Cooperative, the Marshall County Rural Electric Membership Corporation. These Bylaws and Articles of Incorporation govern the conduct of the affairs of your Cooperative.

The Bylaws pertain to such matters as the conditions governing membership and the termination of membership, the rights and responsibilities of members of the Cooperative, and rules concerning voting and the election and removal of directors and officers.

The Bylaws also contain descriptions of the duties of the officers and directors and make other provisions that are intended to make the Cooperative function democratically and in the best interests of the membership and the Cooperative.

All members of Marshall County Rural Electric Membership Corporation are encouraged to read the Bylaws and Articles of Incorporation and to become acquainted with your rights and duties as members.

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MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

The purpose of Marshall County Rural Electric Membership Corporation (hereinafter called the "Cooperative") is to make electric energy and other services available to its members at the lowest cost consistent with sound economy and good management.

A “Cooperative Purpose” is at any time, and in a manner determined by the Cooperative: (1) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative equipment or member equipment connected to Cooperative equipment; (2) clearing, trimming, removing, or managing any tree, brush, or other vegetation; (3) Providing Cooperative Service to a member or one or more other members; (4) monitoring, measuring, or maintaining Cooperative Service provided to a member or one or more other members; (5) Providing Cooperative Service to a person or one or more other persons; (6) monitoring, measuring, or maintaining Cooperative Service provided to a person or one or more other persons; (7) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative equipment; or (8) safely, reliably, and efficiently operating the Cooperative or providing Cooperative Service.

A “Cooperative Service” is any service offered by the Cooperative to its members, including, but not limited to, the sale of electric energy.

BYLAWS

ARTICLE I MEMBERSHIP

Section 1. Conditions of Membership.

The corporate purpose of this Cooperative shall be to render service to its members only and no person shall become or remain a member of the Cooperative, unless such person shall purchase Cooperative Service supplied by the Cooperative and shall have complied with the terms and conditions in respect to membership contained in these Bylaws.

Any person, firm, association, corporation or body politic may become a member in the Marshall County Rural Electric Membership Corporation (hereinafter called the "Cooperative") by:

a. Paying the membership fee, as hereinafter specified;

b. Agreeing to purchase from the Cooperative services, utilities, or other products at prices, rates, or amounts determined by the board, and pursuant to terms, conditions, time, and manner specified by the Cooperative as hereinafter specified;

c. Agreeing to comply with and be bound by the Articles of Incorporation and the Bylaws of the Cooperative and such policies, rules, and regulations as may be adopted from time to time by the board of directors; and

d. Being accepted for membership by the board of directors or members of the Cooperative as hereinafter specified.

Section 2. Application for Membership.

Any person who desires to purchase Cooperative Service from the Cooperative shall by receiving service or by the membership fee agree to the following:

a. that Cooperative Service will be purchased from the Cooperative at a service connection, the location of which shall be designated when applying for membership,

b. that the applicant will comply with and be bound by the Articles of Incorporation of the Cooperative, the Bylaws of the Cooperative and any amendments thereto and such policies, rules, and regulations as may be adopted from time to time by the board of directors, and

c. that the applicant will make payment of such other fees designated in the policies, rules, and regulations which are incidental to providing Cooperative Service at the service connection. Such fee or fees may include any service security deposit, service

connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative.

Such fee as is designated herein in respect to membership in the Cooperative shall be paid in advance, unless otherwise arranged. The membership fee, together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative, shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative, together with a service security deposit, a facilities extension deposit or a contribution" in aid of construction, if required by the Cooperative, shall be paid by the member for each additional service connection requested by him or her. Any such fee or fees shall be refunded in the event that the application for membership is not approved.

Any former member of the Cooperative may, by the full act of paying a new membership fee and any outstanding account, plus any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative, renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

Payment for Cooperative Service shall include for each member a subscription or access to "Indiana Connection" or its successor publication or content published by Indiana Electric Cooperatives, the statewide electric cooperative service organization.

Section 3. Purchase of Cooperative Service.

The board of directors shall not permit the sale of Cooperative Service from any service connection unless the purchaser of said Cooperative Service complies with the terms and conditions of the Bylaws of the Cooperative and amendments thereto and such policies, rules, and regulations as may be adopted from time to time by the board of directors. Each member shall pay monthly at rates which shall be fixed from time to time by resolution of the board of directors provided, however, that the board of directors may limit the amount of Cooperative Service which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for Cooperative Service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of Cooperative Service 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.

Except for electric energy generated by a member-owned generation unit, pursuant to the policies, rules, and regulations adopted from time to time by the board, every member that resides or is located in the electric service territory of the corporation shall purchase from the corporation all of the electric energy used at the premises specified in the membership terms and conditions.

The Cooperative shall use reasonably diligent efforts to furnish its members with adequate and dependable Cooperative Service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof.

Section 4. Provision of Cooperative Service.

a. Interruption of Cooperative Service. The Cooperative shall provide Cooperative Service to members in a reasonable manner. The Cooperative, however, does not insure, guarantee, or warrant that it will provide adequate, continuous, or nonfluctuation electric energy or other Cooperative Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses caused by the Cooperative providing inadequate, non-continuous, or fluctuating electric energy or other Cooperative Service, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct. The Cooperative's responsibility and liability for providing Cooperative Service terminates upon delivery of the Cooperative Service to a member. In case of emergency, or as requested by government or emergency officials or representatives, the Cooperative may interrupt the provision of Cooperative Service to members.

b. Safe and Protected Operation of Cooperative.

    1. A member shall not take any action that compromises the safe, reliable, or efficient operation of the Cooperative or its services.
    2. A member shall protect Cooperative equipment, maintain any required protective devices, and follow any protective procedures required by the Cooperative.
    3. The Cooperative may temporarily suspend or terminate service as needed for safe, reliable, and efficient operation.
    4. A member shall not tamper with, alter, interfere with, damage, or impair Cooperative equipment.
    5. A member shall not post, attach, or display any signs, flags, banners, or similar items on Cooperative poles or other Cooperative equipment.
    6. Except as otherwise provided by the board, the Cooperative maintains ownership of all Cooperative equipment.

c. Member Equipment Connected to Cooperative Equipment. Except as otherwise provided by the board, before member equipment is connected to Cooperative equipment, the Cooperative must approve the connection in writing. Before and while the member equipment is connected to Cooperative equipment, the member:

    1. Shall comply with, and shall ensure that the member equipment, the connection, and any act or omission regarding the member equipment and the connection comply with the Governing Documents, including terms,

conditions, requirements, and procedures required by the Cooperative regarding the member equipment and the connection;

2. Shall ensure that the member equipment and the connection do not adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide Cooperative Service;

3. Grants the Cooperative the right to inspect the member equipment and the connection to determine whether the member equipment and connection complies with the Governing Documents;

4. Grants the Cooperative the right to disconnect or temporarily operate member equipment that does not comply with the Governing Documents or that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide Cooperative Service; and

5. Remains responsible for payment to the Cooperative of any monthly consumer charge or facilities charge, regardless of availability of service.

6. If member equipment is connected to Cooperative equipment, then:

   (1) The member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the member equipment;

   (2) The Cooperative is not liable for damage to, or for the performance of, the member equipment;

   (3) The Cooperative is not liable for damage to member property;

   (4) The member is responsible for knowing the concerns, risks, and issues associated with operating the member equipment and connecting the member equipment to Cooperative equipment;

   (5) The member is liable for damage to, and for the nonperformance of, the Cooperative equipment caused by the member equipment or the connection; and

   (6) The member is liable for and must indemnify the Cooperative against, injury or death to any person and damage to any property caused by, or resulting from, the member equipment or the connection.

Section 5. Wiring of Premises.

a. Each member shall cause all premises receiving electric service to become and to remain wired in accordance the National Electric Code, any applicable state code or local government ordinances, and requirements of the Cooperative. Each member shall be responsible for and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring and apparatuses connected thereto or used thereon.

b. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of Cooperative Service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times.

c. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents, and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable services policies, rules, and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures.

d. In no event shall the responsibility of the Cooperative for furnishing Cooperative Service extend beyond the point of delivery,

Section 6. Easements to Cooperative and Cooperative Load Management Programs.

Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned by, leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of Cooperative Service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's facilities. Each member shall participate

in any required program that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy or to conduct load research.

Section 7. Consumer Deposits.

a. The president/CEO of this Cooperative shall have the power and authority whenever he deems it necessary for the security of the Corporation, to require from any consumer an additional deposit typically twice the highest bill during the preceding twelve-month period or in the absence of an experience record on the particular account concerned, twice the estimated monthly bill. However, as necessary for the security of the Cooperative a deposit higher than the above-referenced amount may be required.

b. The whole or any part of any deposit may be applied, without notice to the depositor, toward the payment of delinquent charges for current furnished through the service connection; whenever any depositor ceases using current through the service connectionr for which such deposit shall have been made, he shall be repaid the amount of such deposit minus any part thereof applied as aforesaid.

c. The Cooperative shall not pay interest on deposits.

Section 8. Membership Fees.

a. The membership fee shall be $15.00, the payment of which shall make the member eligible for service connections. This fee shall be refundable at the termination of service. The whole or any part of such $15.00 fee may be applied, without notice to the depositor, toward the payment of delinquent charges for Electric energy furnished through the service connections whenever any such member ceases using electric energy through the service connections.

b. Such $15.00 refundable fee shall bear no interest.

Section 9. Acceptance to Membership.

An applicant for membership in the Cooperative shall not become a member until he has been accepted for membership by the board of directors or the members. The board of directors will vote on the approval of the new membership list at their next regularly scheduled meeting

Section 10. Term of Membership.

Membership in the Cooperative and all rights, privileges and liabilities thereto shall continue as long as the member (a) purchases Cooperative Service from the service connection designated in

said person's membership and (b) complies with the terms and conditions in respect to membership contained in the Bylaws of the Cooperative and any amendments thereto and such policies, rules, and regulations which may be adopted from time to time by the board of directors.

Section 11. Transfer of Memberships.

a. Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided.

b. When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be. Provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

Section 12. Joint Membership

A husband and wife, by specifically so requesting in writing, may be accepted into a joint membership or, if one of them is already a member, may upon written request convert such membership into a joint membership. Except as otherwise provided in these Bylaws, a joint member has and enjoys the rights, benefits and privileges, and is subject to the obligations, requirements, and liabilities of becoming a member. Joint members are jointly and severally liable for complying with the governing documents. As used in these Bylaws and except as otherwise provided in these Bylaws, a membership includes a joint membership and a member includes a joint member.

For a joint membership:

a. notice of a meeting provided to one joint member constitutes notice to all joint members;

b. waiver of notice of a meeting signed by one joint member constitutes waiver of notice for all joint members;

c. the presence of one or more joint members at a meeting constitutes the presence of one member at the meeting;

d. the presence of one joint member at a meeting waives notice of the meeting for all joint members;

e. if only one joint member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the joint membership and constitutes one vote, signature, or action;

f. if more than one joint member votes on a matter; sign a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the joint membership and constitutes one vote, signature, or action;

g. the suspension or termination of a joint member constitutes a termination of all joint members holding that joint membership; and

h. a joint member qualified to be a member of the board ("Director") may be a Director, regardless of whether another joint member is qualified to be a Director, but if more than one joint member is qualified to be a Director, then only one joint member may be a Director.

Terminating a Joint Membership

a. if one joint member remains qualified to be a member and continues to use Cooperative Service at the same location, then the joint membership converts to a membership comprised of that person;

b. If more than one joint member remains qualified to be a joint member and continues to use Cooperative Service at the same location, then the joint membership converts to a membership comprised of these persons;

c. If all joint members remain qualified to be joint members and continue to use a Cooperative Service at the same location, then the joint membership converts to a membership of persons determined by the Cooperative; and

d. If no joint member remains qualified to be a member and continues to use Cooperative Service at the same location, then the joint membership terminates.

Section 13. Termination or Suspension of Membership.

A person's membership in the Cooperative shall be terminated or suspended under any one or more of the following conditions, or by Resolution of the board of directors:

a. A member ceases to purchase Cooperative Service from the Cooperative.

b. A member withdraws from membership upon such uniform terms and conditions as the board of directors may prescribe;

c. That Cooperative equipment used to provide the Cooperative service has been tampered with, altered, interfered with, damage, or impaired;

d. That member equipment connected to Cooperative equipment adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide Cooperative service;

e. The unsafe condition of Cooperative equipment or member equipment connected to Cooperative equipment;

f. Imminent hazard or danger posed by Cooperative equipment or member equipment connected to Cooperative equipment; or

g. A member is expelled by the affirmative vote of not less than two-thirds of all the board of directors for refusal or failure to comply with any of the provisions of the Articles of Incorporation, the Bylaws of the Cooperative and any Amendments thereto and such policies, rules and regulations as may be adopted from time to time 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 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 meetings.

h. Upon the death or cessation of existence of the member. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

Section 14. Miscellaneous Conditions of Membership.

a. Member consents to being interacted with by the Cooperative through any channels and means that the Cooperative selects to suit the Cooperative Purpose.

b. Member consents to the Cooperative's use of software, hardware, procedures, new technology, and prior existing technology in all manners of operation, some of which may use probabilistics, machine learning, artificial intelligence, and other novel and non-novel approaches.

c. Member will not cause electronic agents to communicate with the Cooperative.

d. Member shall designate and maintain with the Cooperative a secondary communication contact person, and communication detail, to serve as an emergency or surrogate contact in the event of the member's death, incapacity, or inability to be reached.

ARTICLE II RIGHTS 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 in accordance with the applicable provisions of law.

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.

Section 3. Right to One Vote.

Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. If a husband and wife hold a joint membership, they shall jointly be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members.

Section 4. Removal of Directors by Members.

Any member may bring charges against a director by filing them in writing with the secretary, together with a petition signed by ten percent of all the members, requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence and the person or persons bringing the charges against him shall have the same opportunity.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Rules of Order.

Parliamentary procedure at all meetings of the members, of the board of directors, of any committee provided for in these Bylaws, and if any other committee of the members of the board of directors which may from time to time be duly established shall be governed by the most recent addition of the Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

Section 2. Annual Meeting.

An annual meeting of the members shall be held for the purpose of electing directors, passing upon reports and transacting such other business as may come before the meeting. The board of directors shall determine the date, time, and location or manner of the annual meeting of the members. Failure to hold an annual meeting of the members does not affect any action taken by the Cooperative.

Section 3. Special Meetings.

Special meetings of the members may be called by the chairman, by resolution of the board of directors, upon written request signed by any three or more directors, or upon written request signed by at least fifteen percent 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 the County of Marshall, in the State of Indiana, specified in the notice of the special meeting.

Section 4. Notice of Members' Meetings.

Written, printed, or electronic 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 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 (10) days nor more than sixty (60) days before the date of the meeting, personally, by mail, or electronically, by or at the direction of the chairman, the secretary, or upon 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, in a sealed envelope addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. If transmitted electronically, the notice is considered delivered when transmitted to the electronic mail address or other address provided by the member for electronic communication. 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 annual or special meeting.

Section 5. Waiver of Notice.

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

Section 6. Quorum.

A quorum shall be required for conducting business at all meetings of the members and shall be at least two percent of the total number of members of the Cooperative. Members present and voting in person or in any manner set forth in Section 7, below, authorized by the board shall be counted toward the quorum.

Section 7. Voting.

Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members who are voting, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. Members may vote by using the electronic ballot or the pre-printed ballot caused to be sent by the Cooperative in accordance with the delivery instructions included with such ballots; by write-in ballot mailed or delivered to the Cooperative office at least 30 days prior to the annual meeting; or in any other manner approved by the board, all in the manner and within the timeframe established by the board and described on the ballot or in the instructions included with it.. The terms “present" and "voting” used herein shall include all of the above-listed means of participating and voting as may be authorized by the board.

Section 8. 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. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or 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, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournments.

Section 9. Breaking Tie Vote for Directors.

If a tie vote occurs in the annual election of directors, the breaking of such tie vote shall be determined as follows:

a. In any case, except where the tie occurs for the filling of the final director position up for election, a tie shall make no difference but those receiving the highest votes shall be declared elected regardless of the tie vote.

b. If the tie occurs in the vote on the final director position up for election, the one to be declared elected shall be determined by the flip of a coin by the chairman, with the secretary of the nominating committee or other designated representative of the nominating committee making the call. The results shall be certified by the legal counsel of the Corporation, or the parliamentarian in the absence of the former. The coin toss will be done in the presence of all the membership in attendance.

ARTICLE IV DIRECTORS

Section 1. General Powers.

The business and affairs of the Cooperative shall be managed by a board of seven directors which shall exercise all the powers of the Cooperative except such as are by law, or by the Articles of Incorporation or by these Bylaws, conferred upon or reserved as to the members.

Section 2. Director Candidate Nominations

Members who meet the Eligibility Requirements for Directors may appear on the ballot of director candidates if nominated either by the nominating committee or by petition. Only nomination methods that comply with this section are allowed. This section may not be used to invalidate any election.

a. Nominating Committee
   - The board must appoint a nominating committee 100 to 160 days before the annual meeting of the members where directors are elected ("Annual Meeting").
   - The nominating committee, with 5 to 11 members, must represent the geographic areas served by the Cooperative. No board members or employees of the Cooperative can serve on this committee.
   - The nominating committee shall cause a list of director candidates (two per director position open for election at the Annual Meeting) to be posted at the Cooperative's main office at least 100 days before the Annual Meeting of the Members.

b. Nomination by Petition
   - Any 15 or more members can nominate additional candidates
   - By submitting a signed petition at least 90 days before the Annual Meeting
   - The secretary will post these nominations alongside the nomination committee's list

Section 3. Director Eligibility Requirements

A Director must be a member in good standing and be a genuine resident of the area served by the Cooperative.

a. Disqualifications
   A person cannot serve as a director if they:
   - Were employed by the Cooperative in the last three years.
   - Have an interest in a competing business or one offering similar services.
   - Have an interest in a supplier to the Cooperative.
   - Hold or are running for an elected public office.

b. Joint Membership Rule
   If a membership is held jointly by a married couple, only one spouse may serve as a director, while spouses must meet the qualification requirements for the elected spouse to serve.

Section 4. Director Election and Tenure

- Directors are elected at each annual meeting for a three-year term, with terms staggered so no more than three directors are elected each year, as determined by the board.
- Directors are elected by ballot voted on by the Cooperative's members.
- Elected directors serve until their successors are elected, unless removed under these Bylaws.
- At the end of their term, directors are automatically renominated for another term and assumed to accept unless they submit a written resignation to the board's chairman and secretary.

Section 5. Removal of Directors by Members

- Any member can request a director's removal by filing written charges with the secretary, along with a petition signed by at least 10% of members.
- The removal will be voted on at the next regular or special member meeting, and any vacancy can be filled by members at that meeting.
- The director facing charges will be notified in writing at least 30 days before the meeting, with the opportunity to respond in person, with counsel, or with evidence. The member(s) bringing the charges have the same opportunity.

Section 6. Removal of Directors by Directors

A Director of the Cooperative may be removed from office, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the members of the Board of Directors then in office, excluding the Director subject to removal, at a duly constituted meeting of the Board.

Section 7. Director Vacancies

Board vacancies are filled by a majority vote of the remaining directors. The new director serves the unexpired term of their predecessor and until their successor is elected, maintaining the rotation of director elections as outlined in Section 4.

Section 8. Director Compensation

Directors and officers are paid fair compensation for their duties and reimbursed for related expenses, as determined by the board under the Indiana Rural Electric Membership Corporation Act.

Section 9. Policies, Rules, Regulations, Rate Schedules, and Contracts

The board can create, amend, or abolish policies, rules, regulations, rate schedules, contracts, security deposits, and other charges or payments, as long as they comply with the law, the Articles of Incorporation, and these Bylaws.

Section 10. Director Interest Transactions.

a. Indirect Interest. A director has an indirect interest in a contract or transaction with the Cooperative if at least one party to the contract or transaction is another Entity: (1) in which the director has a material or financial interest, or is a general partner; or (2) of which the director is a director, officer, or trustee.

b. Approval of Conflict of Interest Transaction. Regardless of the presence or vote of a director interested in a Conflict of Interest Transaction, a Conflict of Interest Transaction may be approved, and a board quorum or member quorum is satisfied, if the material facts regarding the Conflict of Interest Transaction and the director's interest are:

1. Disclosed or known to the board or board committee, and a majority of more than one director or board committee member with no interest in the Conflict of Interest Transaction votes in good faith to approve the conflict of Interest Transaction.

2. Disclosed or known to the members, and a majority of members not voting under the control of a director or Entity interested in the Conflict of Interest Transaction votes in good faith to approve the Conflict of Interest Transaction.

c. Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is approved pursuant to this Bylaw, or that is fair to the Cooperative when entered or approved pursuant by this Bylaw, is not, solely by reason of being a Conflict of Interest Transaction: (1) void or voidable; or (2) the basis for imposing liability on a director interested in the Conflict of Interest Transaction. Action by a director in serving as a voting member or as a director on a cooperatively organized entity providing goods or services to the Cooperative shall not be a conflict of interest under this Section.

d. Director Personal Interest. From those doing or seeking business with the Corporation, a director may accept personal value only of the type and nature that qualifies as a de minimis fringe benefit as limited under IRS 132(e) Publication 15-B, or subsequently enacted authoritative federal or state guidance.

Section 11. Director Authority to Execute Documents

Two designated officers can sign, execute, and acknowledge documents authorized by the board or members on behalf of the Cooperative. The board may authorize additional Cooperative officials to sign or execute documents as needed.

ARTICLE V MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

A regular meeting of the board of directors shall be held without notice other than this Bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Marshall County, Indiana, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof. Regular meetings may be held outside of Marshall County, Indiana, from time to time, upon call by the chairman or any three directors.

Section 2. Special Meetings.

Special meetings of the board of directors may be called by the chairman or any three directors. And it shall be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The person or persons authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

Section 3 Nominating Committee Meetings

To ensure a slate of qualified candidates competing in a fair and transparent election of Cooperative leaders, a committee of members shall meet each year to select a list of potential nominees for positions on the Board of Directors of the Cooperative ranked in preference order of the committee. The committee derives its authority from the bylaws for the benefit of the Cooperative and, therefore, must act according to the scope and responsibilities defined here. A board member who is not up for the next election and a cooperative employee designated by the CEO may attend meetings of the nominating committee as non-voting information resources and observers. There is no prior notice requirement for a Nominating Committee meeting. Committee members must select a Chairman and a Secretary prior to conducting any meeting. The Chairman shall call the meeting to order. The Secretary shall record the affairs of the meeting and provide an accurate copy of the minutes, including a confidential list of potential nominees for Directors to the Board of Directors and the CEO. Unless the Board of Directors supplies a special agenda for the Committee meeting, the agenda shall be:

1. Call to Order
    - Chairman officially calls the meeting to order.
    - Example statement: "The meeting of the Nominating Committee is now called to order."
2. Roll Call / Attendance
    - Confirm the presence of committee members and quorum.
    - Note any absences or guests.
    - Record all names in the meeting minutes.
3. Approval of Agenda
    - Committee reviews and approves the meeting agenda.
    - Example motion: "I move to approve the agenda as presented."
4. Review of Committee Purpose and Responsibilities
    - Briefly restate the purpose of the committee:
      "The purpose of this meeting is to identify potential nominees for the upcoming board of directors election in accordance with the Cooperative's bylaws, particularly under Article IV, Section 2 and Article IV, Section 3. After identifying such potential nominees and ranking them in preference order, this committee will report the list to the CEO, who will then be responsible for contacting potential nominees to query their interest, availability, eligibility, and acceptance."
5. Review of Nomination Criteria and Guidelines
    - Review eligibility requirements for board candidates as defined in the bylaws under Article IV, Section 2.
6. Presentation and Discussion of Potential Candidates
    - Present names of potential nominees.
    - Discuss each candidate's qualifications, experience, and suitability.
    - Ensure compliance with eligibility requirements.
7. Selection of Nominees
    - Finalize the list of eligible and selected potential nominees in preference order.
    - Example motion: "I move to nominate [Candidate Names] for the upcoming board election."
    - Vote to approve the list of eligible and selected nominees.
8. Plan for Communicating Nominations
    - Discuss next steps for notifying the board and candidates.

    - Confirm timelines and required documentation according to the bylaws under Article IV, Section 3.
9. Other Business (Optional)
    - Address any additional items related to the nominating process, if needed.
10. Set Next Meeting Date (if necessary)
    - If further action or review is required, schedule the next meeting.
11. Adjournment
    - Chair adjourns the meeting.
    - Example statement: "If there is no further business, the meeting is adjourned."

Section 4. Notice.

Notice of the time, place and purpose of any special meeting of the board of directors shall be given at least three days previous thereto, by notice, delivered personally, electronically, or mailed, to each director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If transmitted electronically, the notice is considered delivered when transmitted to the electronic mail address or other address provided by the director. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 5. Waiver of Notice.

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

Section 6. Quorum.

A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided, that if less than a majority of the directors 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.

Section 7. Manner of Acting.

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 chairman, vice chairman, 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.

Section 2. Election and Term of Office.

The officers shall be elected, by ballot, annually by and from the board of directors at the first meeting of the board of directors held after each annual meeting of the members. If the election of 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 duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

Section 3. Removal.

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 interest of its Cooperative will be served thereby.

Section 4. Vacancies.

Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

Section 5. Chairman.

The chairman shall be the principal governing officer of the Cooperative and shall preside at all meetings of the members and of the board of directors; shall sign, with the secretary, certificates of membership, the issue of which shall have been authorized by resolution of 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 Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of chairman and such other duties as may be prescribed by the board of directors.

Section 6. Vice Chairman.

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

Section 7. Secretary.

The Secretary:

a. shall keep accurate minutes of all meetings of the board of directors and the membership, ensuring they are properly recorded and approved;
b. ensure that all notices of meetings are given in accordance with these bylaws, applicable laws, or regulations;
c. sign, certify, and attest to official documents, resolutions, or actions of the board as required; and
d. perform such other duties as may be assigned by the board of directors or required by law.

The Secretary shall not be responsible for the operational record-keeping or administrative functions of the Cooperative, which shall be managed under the direction of the CEO. The Secretary's role is focused on governance documentation, compliance, and oversight.

Section 8. Treasurer.

The Treasurer:

a. shall monitor the financial policies, procedures, and reports of the Cooperative as prepared under the direction of the CEO;
b. present financial reports to the members;
c. sign financial documents and instruments as required; and
d. perform such other duties related to the financial oversight of the Cooperative as may be assigned by the board of directors.

The Treasurer shall not be responsible for the day-to-day financial operations of the Cooperative, which shall be managed under the direction of the CEO. The Treasurer's role is one of oversight, guidance, and strategic collaboration with the executive branch to safeguard the Cooperative's financial health.

Section 9. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities, and authorities of the secretary and of the treasurer hereinbefore provided, 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 of such officer's 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 released from such duties, responsibilities, and authorities.

Section 10. President/CEO.

The board of directors may appoint a president/CEO who may be, but who shall not be required to be, a member of the Cooperative. The president/CEO shall perform such duties and shall exercise such authority as the board of directors may from time to time require of him and shall have such authority as the board of directors may from time to time vest in him.

Section 11. Bonds of Officers.

The board of directors shall require the treasurer or any other officer of the Cooperative charged with the responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the Cooperative to give such bond in such amount and with such surety as it shall determine and as may be required by the Cooperative's primary lender(s) from time to time.

Section 12. Compensation.

The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director, shall be determined by the members, as provided elsewhere in these Bylaws, and the powers, duties, and compensation of any other officers, agents, and employees shall be fixed by the board of directors.

Section 13. 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 and showing the condition of the Cooperative at the close of the fiscal year.

ARTICLE VII SEAL OF COOPERATIVE

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

ARTICLE VIII FISCAL YEAR

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

ARTICLE IX 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 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.

All checks, drafts or other orders for the payment of money, 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. Unclaimed Funds of Members.

Any provisions contained herein to the contrary notwithstanding and pursuant to the applicable statutes of the State of Indiana, the Cooperative shall recover any capital credits, patronage refunds, utility deposits, membership fees, account balances, or book equity which remain unclaimed for a period of two years following attempted payment by the Cooperative to the member or former member entitled thereto.

Prior to the recovery of such unclaimed funds, the Cooperative shall give public notice, through a public-facing communication mechanism deemed by the Cooperative to provide broad

accessibility, of the name of each member or former member entitled to claim such funds, the approximate amount thereof, and the fact that, if not duly claimed at the office of the Cooperative within sixty days of the notice, such funds shall be forfeited to the Cooperative and reallocated for distribution among the other members of the Cooperative.
Thereafter, any such unclaimed funds shall be allocated on a pro rata basis among the members of the Cooperative as of the year in which the sixtieth day falls following publication of the above-described notice.

All unclaimed funds recovered by the Cooperative and reallocated as set forth hereinabove shall be considered an irrevocable assignment and gift to the Cooperative of such funds by the member formerly entitled thereto. Nothing contained in this section shall be construed to prohibit the Cooperative from crediting any of the above-described funds against any amounts owned by the member or former member to the Cooperative prior to any payment to such member or any allocation in favor of other members.

ARTICLE X DISPOSITION OF PROPERTY

The Cooperative shall not sell, mortgage, lease or otherwise dispose of any of its property other than;

a. property which in the judgment of the board of directors is or will be neither necessary nor useful in operating and maintaining the Cooperative's system; provided, however, that sales of such property shall not in any one year exceed in value ten percent of the value of all the property of the Cooperative;

b. electric related goods and services of all kinds, including electric energy;

c. other personal property acquired for resale; and

d. Property approved for sale if such sale, lease or other disposition or encumbrance is authorized at a meeting of the board of directors by the affirmative vote of at least two-thirds of the directors who are present at such meeting, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the agenda of the meeting

The Cooperative shall not sell, mortgage, lease or otherwise dispose of all or substantially all of its assets; unless the same shall be authorized by a resolution adopted by the affirmative vote of at least one-fifth of all members of the Cooperative at a meeting called for that purpose and the notice of such meeting shall have stated that such proposed sale, mortgage, lease or other disposition or encumbrance was to be acted upon at such meeting.

ARTICLE XI DISPOSITION OF REVENUES AND RECEIPTS

Section 1. Nonprofit and Cooperative Operation.

The Cooperative: (1) shall operate on a nonprofit and cooperative basis for the mutual benefit of all members; and (2) may not pay interest or dividends on capital furnished by patrons.

Section 2. Allocating Capital Credits.

The Cooperative shall allocate Capital Credits as provided in this Bylaw. The Cooperative must allocate Capital Credits in a patron's name as shown in the Cooperative's records, regardless of the patron's marital status.

a. Patron. The term "patron" means, during a fiscal year: (1) a member; and (2) any other person using Cooperative Service to whom the Cooperative is obligated to allocate Capital Credits, which obligation existed before the Cooperative received payment for the Cooperative Service.

b. Allocating Earnings. For each Cooperative Service provided during a fiscal year, the Cooperative shall equitably allocate to each patron, in proportion to the quantity or value of the Cooperative Service used by the patron during the fiscal year and timely paid for by the patron, the Cooperative's patronage earnings from providing the Cooperative Service during the fiscal year. Patronage earnings mean the amount by which the Cooperative's patronage sourced revenues from providing Cooperative Service exceed the Cooperative's patronage sourced expenses of providing the Cooperative Service, all as determined under federal cooperative tax law.

For each fiscal year, the Cooperative shall allocate to each patron, in proportion to the quantity or value of Cooperative Services used by the patron during the fiscal year and timely paid for by the patron, the Cooperative's non-patronage earnings. Non-patronage earnings mean the amount by which the Cooperative's non-patronage sourced revenues during a fiscal year exceed the Cooperative's non-patronage sourced expenses during the fiscal year, less any amount needed to offset a patronage loss.

c. Allocating Losses. For each Cooperative Service provided during a fiscal year, the Cooperative shall: (1) equitably allocate to each patron, in proportion to the quantity or value of the Cooperative Service used by the patron during the fiscal year, the Cooperative's patronage loss from providing the Cooperative Service during the fiscal year; or (2) offset the Cooperative's patronage loss from providing the Cooperative Service during the fiscal year: (A) against the Cooperative's patronage earnings from providing the Cooperative Service during the most recent past fiscal year(s) or the next succeeding future fiscal year(s); or (B) first against the Cooperative's non-patronage earnings during the current fiscal year, second against the Cooperative's unallocated

nonpatronage earnings during any past fiscal year(s), and third against the Cooperative's non-patronage earnings during any future fiscal year(s). Patronage loss means the amount by which the Cooperative's patronage sourced expenses of providing a Cooperative Service during a fiscal year exceed the Cooperative's patronage sourced revenues from providing the Cooperative Service during the fiscal year, all as determined under federal cooperative tax law.

For each fiscal year, the Cooperative shall: (1) allocate to each patron, in proportion to the quantity or value of Cooperative Services used by the patron during the fiscal year, the Cooperative's non-patronage loss; or (2) offset the Cooperative's non-patronage loss against the Cooperative's non-patronage earnings during any fiscal year(s).] Nonpatronage loss means the amount by which the Cooperative's non-patronage sourced expenses during a fiscal year exceed the Cooperative's non-patronage sourced revenues during the fiscal year.

d. Capital Credits. For each amount allocated to a patron, the patron shall contribute a corresponding amount to the Cooperative as capital. The Cooperative must credit all capital contributions from a patron to a capital account for the patron. The Cooperative shall maintain books and records reflecting the capital contributed by each patron. At the time of receipt by the Cooperative, each capital contribution is treated as though the Cooperative paid the amount allocated to the patron in cash pursuant to a pre-existing legal obligation and the patron contributed the corresponding amount to the Cooperative as capital. The term "Capital Credits" means the amounts allocated to a patron and contributed by the patron to the Cooperative as capital.

Consistent with this Bylaw, the allocation of Capital Credits is in the discretion of the board and the board must determine the manner, method, and timing of allocating Capital Credits. The Cooperative may use or invest unretired Capital Credits as determined by the board. To secure a patron's obligation to pay amounts owed to the Cooperative, including any compounded interest and late payment fee, and in return for the Cooperative providing Cooperative Service to the patron, the Cooperative has a security interest in Capital Credits allocated to the patron. The patron authorizes the Cooperative to perfect this security interest by filing a financing statement.

e. Different and Separate Allocations. As reasonable and fair, the Cooperative may allocate Capital Credits to classes of similarly situated patrons under different manners, methods, and timing, provided the Cooperative allocates Capital Credits to similarly situated patrons under the same manner, method, and timing. If the Cooperative is a member, patron, or owner of an Entity from which the Cooperative Uses a good or service in Providing Cooperative Service and from which the Cooperative is allocated a capital credit or similar amount, then, as determined by the board and consistent with this Bylaw, the Cooperative may separately identify and allocate to the Cooperative's patrons this capital credit or similar amount allocated by the Entity.

f. Joint Memberships. Upon receiving written notice and sufficient proof of the termination, conversion, or alteration of a joint membership: (1) through the death of a joint member, the Cooperative shall assign and transfer to each surviving joint member

an equal portion of Capital Credits allocated, or to be allocated, to the joint membership; or (2) other than through the death of a joint member, and except as otherwise provided by a court or administrative body of competent jurisdiction, and except as otherwise provided by the joint members, the Cooperative shall assign and transfer to each joint member an equal portion of Capital Credits allocated, or to be allocated, to the joint membership.

Section 3. Notification and Assignment of Capital Credits.

Within a reasonable time after the end of each fiscal year, the Cooperative may notify each patron in writing or electronically of the stated dollar amount of Capital Credits allocated to the patron for the preceding fiscal year. Except as otherwise provided by the board or these Bylaws, to assign or transfer a patron's Capital Credits: (1) the Cooperative must receive a written or electronic request signed by the patron to assign or transfer the Capital Credits; (2) the patron and the assignee or transferee must comply with all reasonable requirements specified by the Cooperative; and (3) the board must approve the assignment or transfer

Section 4. Different and Separate Allocation.

As reasonable and fair, the Cooperative may allocate Capital Credits to classes of similarly situated patrons under different manners, methods, and timing provided the Cooperative allocates Capital Credits to similarly situated patrons under the same manner, method, and timing. If the Cooperative is a member, patron, or owner of an Entity from which the Cooperative uses a good or service in providing Cooperative service and from which the Cooperative is allocated a capital credits or similar amount, then, as determined by the board and consistent with this Bylaw, the Cooperative may separately identify and allocate to the Cooperative's patrons this capital credit or similar amount allocated by the Entity.

Section 5. Retiring Capital Credits.

The Cooperative may retire and pay Capital Credits allocated to patrons and former patrons as provided in this Bylaw. If the Cooperative retires and pays Capital Credits, then the Cooperative must retire and pay Capital Credits in patron's name as shown in the Cooperative's record, regardless of the patron's marital status.

Regardless of a statute of limitation or other time limitation, after retiring Capital Credits allocated to a patron or former patron, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the patron or former patron, including any compounded interest and late payment fee, by reducing the allocated amount of retired Capital Credits paid to the patron or former patron by the amount owed to the Cooperative.

Section 6. General Capital Credit Retirements.

Capital Credit retirement discretion. The Cooperative may retire and pay Capital Credits only if the board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this Bylaw, the retirement and payment of Capital Credits are in the sole discretion of the board and are not affected by previous retirements and payments. The manner, method, and timing of retiring and paying Capital Credits may be determined only by the board.

As reasonable and fair, the Cooperative may retire and pay Capital Credits to classes of similarly situated patrons and former patrons under different manners, methods, and timing, provided the Cooperative retires and pays Capital Credits to similarly situated patrons and former patrons under the same manner, method, and timing. If the Cooperative separately identified and allocated Capital Credits representing capital credits or similar amounts allocated to the Cooperative by an Entity in which the Cooperative is or was a member, patron, or owner, then the Cooperative may retire and pay these Capital Credits only after the Entity retires and pays the capital credits or similar amounts to the Cooperative.

Except as otherwise provided in this Bylaw, the Cooperative must pay the allocated amount of retired Capital Credits and may not pay the net present value of retired Capital Credits

Section 7. Patron Agreement.

Each patron and former patron agrees that:

a. Capital Credits are not securities under state or federal law.

b. The patron's right to Capital Credits vests, accrues, becomes redeemable, and becomes payable only upon the Cooperative retiring the Capital Credits as provided in these Bylaws, and not upon the Cooperative allocating the Capital Credits; and

c. As required by Law, each patron will:

1. Report to the appropriated Entity all allocated or retired Capital Credits; and

2. Pay the appropriate Entity any tax or similar amount on allocated or retired Capital Credits.

Section 8. Dissolution or Liquidation of the Cooperative.

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 the patron's account may be retired in full or in part. Any such retirements 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.

Section 9. Capital Credit Assignment.

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 directors, acting under policies of general application, shall determine otherwise.

Section 10. Capital Credits on Death of Patron.

Notwithstanding any other provision of these Bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron 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 patron immediately upon such terms and conditions as the board of directors, 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.

Section 11. Terms of Capital Credit.

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

Section 12. Special Retirement of Allocated Capital Credits to Offset Member Bad Debts.

Without requiring board action, the CEO may specially retire previously allocated Capital Credits of a member or former member who has a past-due balance that the Cooperative has determined to be in a bad-debt state and apply that Capital Credit towards the bad-debt amount. The determination, manner, method, and timing of such special retirements and applications are in the discretion of the CEO and do not require Board approval.

ARTICLE XII MISCELLANEOUS

Section 1. Policies, Rules and Regulations.

The board of directors shall have power to make, adopt, and enforce such policies, rules, and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 2. Accounting System and Reports.

The board of directors shall cause to be established and maintained a complete accounting system, which among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of Rural Electrification Administration of the United States of America. The board of directors shall annually cause to make a full and complete audit of the accounts, books and financial condition of the Cooperative. Such audit reports shall be submitted to the members at the following annual meeting.

Section 3. Member in Other Organizations.

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business; provided, however, that the board of directors shall have full power and authority on behalf of the Cooperative to purchase stock in or become a member of, any corporation or cooperative organized on a nonprofit basis for the purpose of furthering the Cooperative Purpose.

Section 4. Electric Energy Rate Schedule.

The schedule of rates on electric energy sold to members shall be fixed from time to time by resolution of the board of directors; provided, however, that such rate schedules shall be established in accordance with the law.

Section 5. Indemnification Provision.

The Cooperative shall indemnify directors, officers, including the general manager, agents, and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity, and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or were not against the best interests of the Cooperative. The Cooperative

shall purchase insurance to cover such indemnification. The Cooperative shall also furnish said directors, officers, including the general manager, agents and employees with skilled and competent legal counsel to represent them against claims of such alleged liability as is described above; and the Cooperative shall make direct payment of such expenses of legal counsel and the reasonable related costs and expenses incurred in connection with such defense. The Cooperative may purchase liability insurance to help fulfill the purposes of these Bylaw provisions.

ARTICLE XIII AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds of all the members of the board of directors, which vote may be taken at any regular meeting of the board of directors or at a special meeting of the board of directors, provided that notice of such alteration, amendments, or repeal shall have been given with the notice of the special meeting of the board of directors.

ORIGINAL ARTICLES OF INCORPORATION
OF MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

We, the undersigned, being eleven or more natural persons who are residents of the State of Indiana, living outside any incorporated town or city and who are not now served with electric energy, have associated ourselves for the purpose of forming a corporation as a local district corporation, under the terms and conditions of the "RURAL ELECTRIC MEMBERSHIP CORPORATION ACT," approved March 9, 1935.

We certify that we are residents of the territory in which the operations of the said corporation are to be conducted who are desirous of using electric energy to be furnished by the said corporation.

The undersigned Incorporators hereby authorize George Weissert, an incorporator, to petition the Public Service Commission of the State of Indiana, praying the Commission to grant a Certificate of Public Convenience and Necessity for the organization and operations of the proposed corporation, and we hereby adopt the following articles of incorporation, to-wit:

ARTICLE I. NAME.

The name of this corporation shall be

MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION.

For any purpose except in signatures and in agreements regarding the promise to pay money, such corporation shall be sufficiently identified if referred to as "MARSHALL COUNTY REMC. "

ARTICLE II. PRINCIPAL OFFICE.

The location of the principal office of the corporation shall be in Plymouth, Indiana. The board of directors may establish a branch office wherever they deem necessary for the business of the corporation or for the convenience of members, and may provide for meetings of the board or of the members at such convenient place or places within or outside the territory hereinafter described as may be determined by the by-laws.

ARTICLE III. TERRITORY.

The territory in which its operations are to be conducted is outside the corporate limits of any incorporated town or city, and does not include any territory already being served with electric energy by any public or municipally-owned utility.

The territory in which the operations of the corporation are to be conducted is reasonably described as follows:

All of Marshall County, Indiana, and including the following portions of counties adjacent to said Marshall County, Indiana, to-wit:

1. Sections 25, 26, 27, 34, 35, and 36 of Township 35 North, Range 1 West in Lincoln Township; and a strip being the south three-quarters (1) of each section in St. Joseph County

which touches the joint boundary line of Marshall and St. Joseph Counties and lies east of the line formed by extending the east lines of said Sections 25 and 36 across said joint boundary line, both of said tracts being in St. Joseph County;

2. A strip 40 rods wide off the west side of each section in Kosciusko County touching the east line of Marshall County and the north three quarters (1) of Sections 2 and 3 in Township 31 North, Range 4 East in Franklin Township in Kosciusko County;

3. A strip forty (40) rods in width off the north side of each Section in Fulton County touching the joint boundary of Marshall and Fulton Counties:

4. A strip forty (40) rods in width off the north. side of Section 1, Township 31 North, Range 1 West, Tippecanoe Township in Pulaski County;

5. The south forty (40) rods off the south side of Section 36 together with the east forty (40) rods off of Sections 3, 10 and 15 and Section 1, 2, 11, 12, 13 and 14 in Township 32, Range 1 West in North Bend Township and Sections 1, 2, 3, 10, 11 and 12 in Township 34 North, Range 1 West, in Oregon Township and a strip forty (40) rods in width off the east side of Washington Township, all in Starke County.

But in any and every case excepting any territory within the limits of any incorporated city or town and also excepting any territory already served with electric energy by any public or municipally-owned utility.

ARTICLE IV. DIRECTORS.

The number of members of the board of directors shall not be less than three nor more than eleven. Except as otherwise fixed by the by-laws, the number of the directors shall be eleven.

ARTICLE V. DIRECTORS FOR FIRST YEAR.

The names and post office addresses of the directors who are to manage the affairs of the corporation and constitute its governing body until the first annual meeting or until their successors are chosen are as follows:

(Name)	(Post Office Address)
George Weissert	Plymouth, Indiana
L. M. Chase	Walkerton, Indiana
Andrew Metheny	Plymouth, Indiana
Albert Carothers	Argos, Indiana
John M. Morrical	Bourbon, Indiana
Orville Metheny	Bourbon, Indiana
Rea H. Ward	Tippecanoe, Indiana
W. E. Kline	Culver, Indiana
F. O. Patterson	Walkerton, Indiana
L. B. Keyser	Plymouth, Indiana
Leroy Jacoby	Plymouth, Indiana

Each of the directors as above named is duly qualified by law to serve as a director.

ARTICLE VI. DURATION.

The duration of this corporation shall be perpetual.

ARTICLE VII. TERMS AND CONDITIONS OF MEMBERSHIPS.

The terms and conditions upon which members of the corporation shall be admitted are as follows:

(a) Members shall include each natural person signing these articles of incorporation and each natural person, firm, association, corporation, business trust, partnership or body politic admitted to membership in this corporation.

(b) No person, association, corporation, business trust, partnership or body politic shall become or remain a member unless such person, association, corporation, business trust, partnership, or body politic shall use energy supplied by this corporation and shall have complied with the terms and conditions in respect to membership contained in the by-laws of this corporation.

(c) No applicant for membership in this corporation shall be admitted to membership until such applicant has accepted in writing the terms and conditions of these articles of incorporation and the by-laws of this corporation.

(d) Every natural person admitted to membership in this corporation shall (except as provided in Paragraph [c] hereof) pay a membership fee of Five Dollars for each membership held by him, provided, however, that where more than one member promises to take energy through the same meter, each such member shall pay a membership fee equal to Five Dollars divided by the number of persons proposing to take energy through that meter.

(e) Each association, corporation, business trust, partnership and body politic, and each natural person using energy supplied by the corporation in a business other than the production of farm products shall pay such membership fee as shall be required by the by-laws.

(f) The directors may accept partial payment of membership fees, but no applicant shall be admitted to membership until such applicant has paid twenty-five percent of the established membership fee.

ARTICLE VIII. BY-LAWS GENERALLY.

By-laws shall be adopted by the board of directors covering any or all matters necessary or desirable in the opinion of a majority of such board of directors and not inconsistent with law. The method of amendment thereof shall be as from time to time provided in said by-laws.

ARTICLE IX. PURPOSES.

The purposes of this corporation are to render service to its members but not for the purpose of pecuniary profit; and for the purpose of promoting and encouraging the fullest possible use of electric energy in the territory to be served by making electric energy available to the inhabitants thereof at the lowest cost

consistent with sound economy and prudent management of the business of the corporation. The corporation shall furnish reasonably adequate services and facilities to its members and to such applicants for membership and service as are lawfully entitled thereto, upon their being received into membership in accordance with law, these articles of incorporation and the by-laws.

A further purpose of this corporation is to cooperate with other corporate groups of rural users of electric energy for the purpose of reducing the costs of operation to the lowest possible figure, and to apply for and accept membership in the Indiana Statewide Rural Electric Membership Corporation.

In accordance with all of such purposes, the charges for energy and for every other service rendered to members shall be on a fair and nonprofit basis, and any savings over necessary expenses, lawful disbursements, and/or reserves required by law, shall be distributed among the patrons as by law required.

IN WITNESS WHEREOF, the undersigned Incorporators have executed (re-executed) these articles of incorporation this 8th day of April, 1936, (in lieu of articles of incorporation executed heretofore on the 14th day of June, 1935) in the number of copies by law required.

Name:	**Post Office Address:**
George Weissert	Plymouth, Indiana
L. M. Chase	Walkerton, Indiana
Andrew Metheny	Plymouth, Indiana
Albert Carothers	Argos, Indiana
John M. Morrical	Bourbon, Indiana
Orville Metheny	Bourbon, Indiana
Rea H. Ward	Tippecanoe, Indiana
W. E. Kline	Culver, Indiana
F. O. Patterson	Walkerton, Indiana
L. B. Keyser	Plymouth, Indiana
Leroy Jacoby	Plymouth, Indiana

STATE OF INDIANA)
) SS:
MARSHALL COUNTY)

Before me, the undersigned, a notary public, personally appeared,

George Weissert
L. M. Chase
Andrew Metheny
Albert Carothers
John M. Morrical
Orville Metheny
Rea H. Ward
W. E. Kline
F. O. Patterson
L. B. Keyser
Leroy Jacoby

and acknowledged the execution of the above and foregoing articles of incorporation of the First Marshall County Rural Electric Membership Corporation, this 8th day of April, 1936.

Walter Emment
Notary Public

Approved and Filed, May 19, 1936
August G. Mueller
Secretary of State

ARTICLES OF AMENDMENT OF THE ARTICLES OF INCORPORATION OF MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION
March 14, 1939

ARTICLE I. NAME.

The name of this corporation is Marshall County Rural Electric Membership Corporation.

ARTICLE II. DATES OF FILING ORIGINAL ARTICLES.

The dates of filing the articles of incorporation of this corporation in the public offices where the same were filed, are as follows:

In the office of the:

Public Service Commission of Indiana	-	April 11, 1936
(which approved the same on)	-	May 15, 1936
Secretary of State of Indiana	-	May 19, 1936
Recorder of Fulton County, Indiana	-	May 23, 1936
Recorder of Kosciusko County, Indiana	-	May 23, 1936
Recorder of Marshall County, Indiana	-	May 23, 1936
Recorder of Pulaski County, Indiana	-	May 23, 1936
Recorder of St. Joseph County, Indiana	-	May 23, 1936
Recorder of Starke County, Indiana	-	May 23, 1936

ARTICLE III. TERRITORY CHANGED.

The territory to be served by this corporation is not to be changed by these Amendments.

ARTICLE IV. THE AMENDMENTS.

The purposes, powers or provisions to be amended are those contained in Articles VII, VIII and IX of the present articles of incorporation of said corporation and those to be added or substituted respectively are stated in" the following articles as amended; the aforesaid articles being amended to read as follows:

ARTICLES VII. TERMS AND CONDITIONS OF MEMBERSHIP.

Section 1. Any natural person, firm, association, corporation or body politic, in addition to the Incorporators of the corporation, may become a member in the corporation by:

(a) paying the membership fee specified in the by-laws which shall not be less than Four Dollars; agreeing to purchase from the corporation electric energy as specified in the by-laws;

(b) agreeing to comply with and be bound by these articles of incorporation and the by-laws of the corporation and any amendments thereof and such rules and regulations as may from time to time be adopted by the board of directors of the corporation; provided, however, that no natural person, firm, association, corporation or body politic, except the Incorporators of the corporation, shall become a member in the corporation unless and until he or it has been accepted for membership by the board of directors or by the members of the corporation.

Section 2. The by-laws of the corporation may fix other terms and conditions upon which persons shall be admitted to and retain membership in the corporation not inconsistent with the articles of incorporation or the act under which the corporation is organized.

Section 3. No member of the corporation shall be individually liable or responsible for any of the debts or liabilities of the corporation.

Section 4. No application for membership shall be considered valid unless and until the applicant has made a minimum payment of at least One Dollar on account of the membership fee specified in the by-laws required to be paid by such applicant. Upon acceptance of the application of such applicant for membership in accordance with the provisions of these articles of incorporation and the by-laws of the corporation, such minimum payment shall constitute part payment of the membership fee required to be paid by such applicant.

ARTICLE VIII. DISPOSITION OF PROPERTY.

Section 1. The corporation shall not sell, mortgage, lease or otherwise dispose of any of its property other than

(a) property which, in the judgment of the board of directors is or will be neither necessary nor useful in operating and maintaining the corporation's system, provided, however, that sales of such property shall not in anyone year exceed in value ten per centum of the value of all the property of the corporation;

(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 of the members who are present at such meeting, 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 the corporation may not sell, mortgage, lease or otherwise dispose of or encumber all, or substantially all the property of the corporation unless the same shall be authorized by a resolution adopted by the affirmative vote of at least one-fifth of all the members of the corporation at a meeting called for that purpose and the notice of such meeting shall have stated that such proposed sale, mortgage, lease or other disposition or encumbrance was to be acted upon at such meeting.

ARTICLE IX. MEMBERSHIP IN OTHER CORPORATIONS.

In carrying out its purposes, this corporation may cooperate with other corporations organized under the Rural Electric Membership Corporation Act of Indiana, and may apply for and accept membership in any general district corporation organized under said Act.

ARTICLES OF AMENDMENT OF THE
ARTICLES OF INCORPORATION OF
MARSHALL COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION
May 26, 1941

ARTICLE III. TERRITORY.

The territory in which the operations of the corporation are to be conducted is reasonably described as follows:

1. All of Marshall County, Indiana, excepting:

   (a) A strip eighty (80) rods wide located within the following description of boundaries; beginning at a point Forty (40) rods East of the Southwest corner of Section 31, Township 32 North, Range 4 East, thence North through Sections 31 and 30 and to a point Forty (40) rods North and Forty (40) rods East of the Southwest corner of Section 19, all of aforesaid township and range, thence West to a point Forty (40) rods West and Forty (40) rods North of the Southeast corner of Section 24 in Township 32 North, Range 3 East; thence South through Sections 25 and 36 to a point on the Marshall Fulton County line which is Forty (40) rods West of the Southeast corner of Section 36, thence East to the point of beginning;

   (b) South one-half (S,) of Section 30, and North one-half (Ni) of Section 31, in Township 34 North, Range 1 East, in West Township;

   (c) A strip of territory Forty (40) rods in width off the South side of Sections 33 and 34, Township 32 North, Range 1 East:

(d) Also beginning at a point Twenty (20) rods East and Forty (40) rods North from the Southwest corner of the Southeast Quarter (SE 1/4) of Section 33, Township 32 North, Range 1 East; thence North a distance of 1700 feet; thence West to the right of way of the Pennsylvania Railroad; thence South to a point Forty (40) rods North of the Marshall-Fulton County line; thence East to the place of beginning.

(e) (e) A strip Forty (40) rods in width off the South side of Section 31, Township 32 North, Range 4 East, beginning at a point which is Forty (40) rods North and Forty (40) rods East of the Southwest corner of said Section 31, Township 32 North, Range 4 East.

2. The following territory in Kosciusko County, Indiana:

(a) A strip Forty (40) rods wide off the West side of each Section of Kosciusko County abutting the East line of Marshall county, except the West Forty (40) rods of Sections 3, 10, 15, 22, 27 and 34 of Township 32 North, Range 4 East.

(b) All of Sections 2, 3, 10 and 11, Township 31 North, Range 4 East, in Franklin Township, Kosciusko County, Indiana.

3. The following territory in Fulton County, Indiana:

(a) The East Eighty (80) rods off the East side of Sections 4 and 9, Township 31 North, Range 4 East, in New Castle Township.

(b) The North Forty (40) rods off of the North side of Sections 1, 2, 3, 4, 5 and 6 of Township 31 North, Range 2 East. ALSO, the North Forty (40) rods off of the North side of Section 6 of Township 31 North, Range 3 East.

4. The following territory in Starke County, Indiana:

(a) Sections 1 and 2, in Township 34 North, Range 1 West, in Oregon Township.

(b) Sections 1, 2, 12 and 13 and the East Forty (40) rods off of Section 3, and also the East three-quarters of Sections 11 and 14, all of Township 32 North, Range 1 West, in North Bend Township.

(c) A strip Forty (40) rods in width off the East side of Sections 1, 12, 13, 24, 25 and 36 of Township 33 North, Range 1 West.

5. The following territory in St. Joseph County, Indiana:

(a) Sections 25, 26, 27, 34, 35 and 36 of Township 35 North, Range 1 East in Lincoln Township, St. Joseph County, Indiana: and a strip being the South Three-Quarters (S i) of each Section in St. Joseph county, which touches the joint boundary line of Marshall and
St. Joseph Counties, and lies East of the line formed by extending the East lines of said Sections 25 and 36 across said joint boundary line, both of said tracts being in St. Joseph County, Indiana.

(b) Beginning at a point Forty (40) rods West and Two hundred forty (240) rods North of the Southeast corner of Section 16, Township 35 North, Range 1 East; thence North to a point Forty (40) rods South and Forty (40) rods West of the Northeast corner of Section 5; thence West to a point Forty (40) rods West and Forty (40) rods South of the Northeast corner of Section 5; thence South to a point Forty (40) rods North and Forty (40) rods West of the Southeast corner of Section 5; thence West to West side of Section 5; thence South along the West side of Sections 5, 8 and 17 to a point Eighty (80) rods South of the intersection of Sections 7 and 8 and 17 and 18; thence East to the point of beginning, and all being with the same Township and Range, that is Township 35 North, Range 1 East.

But in any and every case excepting any territory already served with electric energy by any public or municipally owned utility.

STATEMENT OF NONDISCRIMINATION

The REMC has filed with the Federal Government a Compliance Assurance in which it assures the Rural Electrification Administration that it will comply fully with all requirements of Title VI of the Civil Rights Act of 1964 and the Rules and Regulations of the Department of Agriculture issued thereunder, to the end that no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities. Under this Assurance, this organization is committed not to discriminate against any person on the ground of race, color or national origin, in its policies and practices relating to application for service or any other policies and practices relating to treatment of beneficiaries and participants including rates, condition and extension of service, 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 the organization.

Any person who believes himself, or any specific class of individuals, to be subjected by this organization to discrimination prohibited by Title VI of the Act and the Rules and Regulations issued thereunder may, by himself or a representative, filed with the Secretary of Agriculture, Washington D.C. 20250, or the Rural Electrification Administration, 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 Rural Electrification Administration extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purpose of the Rules and Regulations.