

**BYLAWS
OF
OUACHITA ELECTRIC
COOPERATIVE CORPORATION
(As of March 26, 2012)**

**ARTICLE I
MEMBERSHIP**

SECTION 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof will become a member of Ouachita Electric Cooperative Corporation (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that they or it have first:

- (a) made a written or electronic application for membership therein;
- (b) agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board; and
- (d) paid the membership fee hereinafter specified.

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

SECTION 2. Evidence of Membership. Membership in the Cooperative shall be evidenced by delivery to the Cooperative of the properly completed and executed application with payment of membership fee.

SECTION 3. Joint Membership. Two or more adults may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include two or more adults holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter-specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) the presence at a meeting of any of the joint members shall be regarded as the presence of one (1) member and shall constitute a joint waiver of notice of the meeting;
- (b) the vote of any of the joint members shall constitute one (1) joint vote;
- (c) a waiver of notice signed by any of the joint members shall constitute a joint waiver;
- (d) notice to any of the joint members shall constitute notice to all;
- (e) expulsion of any of the joint members shall terminate the joint membership;
- (f) withdrawal of any of the joint members shall terminate the joint membership;

- (g) any of the joint members may be elected or appointed as an officer or director, provided that they meet the qualifications for such office.

SECTION 4. Conversion of Membership. (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her joint members to comply with the articles of incorporation, bylaws, and rules and regulations adopted by the board.

- (b) Upon the death of any party to the joint membership, such membership shall be held solely by the survivor. The estate of the deceased shall not be released from any debts due the Cooperative.
- (c) Upon the death of a member leaving a surviving spouse, even though the surviving spouse is not a joint member, the surviving spouse shall succeed to the membership of the deceased spouse and shall be responsible for payment of any account due in connection with the membership. The Cooperative shall transfer the membership to the surviving spouse promptly upon receipt of notice of the death of the member.

SECTION 5. Membership Fees. The membership fee shall be fifteen dollars (\$15), upon the payment of which a member shall be eligible for one or more service connections.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises or to be used specified in their application for membership, and shall pay therefore at rates which shall from time to time be fixed by the board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the board from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds (2/3) of all the members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws, or rules or regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes them liable to expulsion and such failure shall have continued for at least ten (10) days after such notice as given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months, after service is available to them has not purchased electric energy from the cooperative, or of a member who has ceased to purchase energy from the cooperative, shall automatically terminate.
- (b) Upon the withdrawal, death (except as set forth in Article I, Section 4), cessation of existence or expulsion of a member the membership of such member shall thereupon terminate. Termination of membership in the

Cooperative shall not release the member or their estate from any debts due the Cooperative.

- (c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after:

- (a) all debts and liabilities of the Cooperative shall have been paid, and;
- (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportions which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

SECTION 2. Non-Liability of 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 liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held each year at such time and place within the counties of the territory served by the Cooperative and such place may be any town or village within this area, as shall be designated in the notice of meeting, for the purpose of announcing the results of the election of directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings. Special meetings of the members may be called by resolution of the Board, or on written request signed by a majority of the Board or by ten per cent (10%) or more of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special

meetings of the members may be held in any place within the counties of the Cooperative area of service as specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail or at the direction of the Secretary, or upon a default in duty by the Secretary, by the person or persons calling the meeting, to each member. Notice of annual meetings shall be mailed to active memberships as of the close of business on the 31st day of March preceding the meeting. Notice of special membership meetings shall be mailed to active memberships as of ten (10) days prior to mailing the notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at their address as it appears on the records of the Cooperative, with postage thereon prepaid. Failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which shall be taken by the members at any meeting.

SECTION 4. Quorum. As long as the total number of members does not exceed ten thousand (10,000), two hundred (200) of the total number of members present shall constitute a quorum. In case the total number of members shall exceed ten thousand (10,000), five hundred (500) members shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person. An absent member submitting a ballot to express their vote shall be considered present insofar as determining the quorum is concerned and their name shall be listed in the list of members present at the meeting.

SECTION 5. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote of the members. All questions shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law, the articles of incorporation, or by these bylaws.

- (a) **Mail Voting.** The election of directors shall be by mail ballot and only those persons properly nominated by petition shall be on the ballot. Any other matters may be submitted to the members to vote by mail as may be determined by the board. The Secretary shall be responsible for the enclosure with the notice of an annual or special meeting of an exact copy of all such motions or resolutions to be acted upon and ballots for the election of directors. The member shall mark their ballot as directed by the instructions contained with it, place it in a sealed envelope bearing their name and previously addressed to the cooperative, and then return it to the cooperative by mail or by delivering it to the cooperative offices in Camden or Hampton. Only ballots received by the cooperative at its Hampton or Camden office or in its mailbox by 1:00 p.m. the day prior to the annual meeting shall be counted. The counting shall be supervised by an election committee made up of five (5) members of the cooperative and appointed by the members of the Board who are not up for re-election. All such ballots shall be secret and the vote of any member shall not be

disclosed to any board member, officer or employee of the Cooperative. Candidates will be notified immediately after counting is complete. The result of the election of directors shall be announced at the annual meeting. The failure of any member to receive a copy of any such ballot shall not invalidate any action which may be taken by the members. Ballots shall be retained as directed by the election committee for sixty (60) days after the election and then destroyed by the committee.

(b) Proxies. There shall be no voting by proxy.

(c) Majority. Majority as used in Article III shall mean the highest number of votes cast on any issue or for any person even though fifty (50) percent or less.

(d) Member Proposals. No motion or resolution shall be voted upon at any meeting except in the manner provided in Sub-section (a) of this Section 5. The members may submit a proposal to the meeting by petition signed by not less than ten percent of the total number of members submitting a copy of such proposal to the Secretary not less than sixty (60) days prior to the meeting, and the Secretary shall place such proposal on the ballot, together with such other matters to be voted upon; provided, however, that any proposal to sell, lease, or otherwise dispose of all or any substantial portion of the cooperative's property, as provided in Article VIII, must be submitted in the same manner but not less than 120 days prior to the meeting. The Board of Directors shall establish procedures by which both proponents and opponents shall be able to submit to the members a short statement of reasons for or against a proposal, along with other election information.

(e) SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. report on the number of members present in person or by having mailed a ballot in order to determine the existence of a quorum;
2. reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;
3. reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
4. presentation and consideration of reports of officers, directors, and committees;
5. report of the election of directors;
6. unfinished business;
7. new business;
8. adjournment.

ARTICLE IV DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) members which shall exercise all of the powers of the cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office. The board shall consist of nine (9) members, each of whom shall serve for a term of three (3) years. Election of directors shall be held by mail as set forth in Article III, Section 5. At each election three directors shall be elected to serve for three (3) years or until their successor shall have been elected and shall have qualified. Directors for positions #1, #2, and #3 shall be elected in 1995; for positions #7, #8, and #9 in 1996; and for positions #4, #5, and #6 in 1997. Thereafter, elections shall be held annually for the positions expiring in that year. The board shall divide the Cooperative area into districts to which directors positions shall be assigned in order that all areas shall be represented on the board at all times.

Section 3. Qualifications. No person shall be eligible to become a candidate for or to remain a board member of the Cooperative who:

- (a) is not a member and bona fide resident of the district represented by the board position for which the nominee is running.
- (b) is in any way employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative; or
- (c) is a current employee or former employee of the cooperative within one (1) year of the termination of his/her employment, or the spouse or child of such current or former employee;
- (d) has a close relative who is a director or employee. For this purpose the term "close relative" includes wife or husband; children (including step-children); grandchildren; parents or grandparents; brother or sister (including half-brother or half-sister); father-in-law or mother-in-law; brother-in-law or sister-in-law; uncles or aunts; nieces or nephews; first cousins; and son-in-law or daughter-in-law. Brother-in-law or sister-in-law is defined as the brother or sister of a spouse.

This provision shall not prohibit the employment of children or stepchildren of an employee or director who are seniors in high school and are going to college until they have completed a four year degree or worked for four summers while attending college as a full-time student whether they do or do not receive a degree.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director, provided, however, that neither shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both meet the qualifications hereinabove set forth.

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

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

The amendments made by the passage of this section shall be effective from and after July 1, 1994 and shall not apply to any person serving as a member of the board on the effective date.

Section 4. Nominations. Nominees for the Board shall be nominated by Petition signed by fifteen (15) or more members and filed with the General Manager of the Cooperative not less than sixty (60) days prior to the date of the annual meeting. The General Manager is charged with determining that the signatures on the Petition are those of Cooperative members and with determining that the nominee is a Cooperative member and is a resident of the district represented by the Board position for which the nominee is running. The General Manager shall present to the Board a copy of the map showing the nominee's residence at first Board meeting after the final date for filing Petitions. No nominee who does not reside in the district for which the nominee is running shall have his or her name placed on the ballot, as such nominee would not be qualified to serve if elected.

Section 5. Removal of Directors by Members. At a special meeting of members called expressly for that purpose, directors may be removed in the manner provided in this section.

(A) A director may be removed for cause by the affirmative vote of a majority of the members.

(B) "Cause" for removal shall mean that the director is alleged to have committed an act or omission adversely affecting the business and affairs of the Cooperative and amounting to gross negligence, fraud or criminal conduct.

(C) No director shall be removed except upon certification that the following procedures have been followed:

- (i) A written petition must be presented to the Board, which shall;
 - (a) describe in detail each of the charges and the basis therefore. If more than one director is sought to be removed, individual charges for removal shall be specified.
 - (b) be signed by a minimum of ten (10) per centum of the members of the Cooperative within 60 days of the date of the petition.
- (ii) If the Board determines that the petition complies with paragraph (C)(i), and only if the Secretary certifies the authenticity of the petition, a meeting of the members shall be noticed in accordance with these Bylaws and shall be held within sixty (60) days after receipt by the Cooperative of the written petition.
- (iii) At such meeting, evidence must be presented in support of the charges. The director shall be entitled to be represented by counsel and shall have the opportunity to refute such charges and present evidence in his or her defense before a vote of the members is taken.

D. Nothing contained herein, however, shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Vacancies caused by the removal of a director or directors pursuant to this Section 5 shall be filled at a special election conducted as provided in this Article IV, except that petitions for nominations under Section 4 of this Article shall be filed not less than forty-five (45) days prior to the date of the special election.

Section 6. Removal Because of Nonattendance. The office of a Director shall become vacant if the Director misses as many as three (3) regular meetings of the Board of Directors during any twelve (12) consecutive regular meetings, unless the remaining Directors unanimously resolve:

- (1) that there was good cause for such absences; and,
- (2) that such cause shall not likely result in such absences during the ensuing twelve (12) consecutive regular Board of Directors meetings.

Section 7. Vacancies. Any vacancies occurring on the Board, except pursuant to Section 5 hereof, shall be filled by the affirmative vote of a majority of the remaining directors by a person who shall serve until the next annual meeting, when their successor shall have been elected by mail vote as provided in Article III, Section 5, to fill the unexpired portion of the term.

Section 8. Compensation. Board members shall not receive any salary for their services as such, except that the board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the board. This sum shall be no greater than the average daily per diem of the other electric distribution cooperatives in Arkansas. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for medical insurance or serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative unless the payment and the amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or their close relative shall have been certified by the board as an emergency measure.

ARTICLE V MEETINGS OF BOARD

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

SECTION 2. Special Meetings. Special meetings of the board may be called by the Chairman of the Board or by any three (3) board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman of the Board or board members calling the meeting shall fix the

time and place which shall be within the area of service boundary lines of the Cooperative for the holding of the meeting.

SECTION 3. Notice of Board Meetings. Written notice of the time, place, and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman of the Board or the board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the board members at their address as it appears on the records of the cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these bylaws.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The same person may hold the offices of Secretary and of Treasurer.

SECTION 2. Election and Term of Office. The officers shall be elected annually by and from the board at a meeting of the board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until their successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten (10) per centum of the members or three hundred (300), whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against them shall have the same opportunity. In

the event the board does not remove such officer, the question of their removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. Chairman. The Chairman shall:

- (a) be the principal officer of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board 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
- (c) in general perform all duties incident to the office of the Chairman and such other duties as may be prescribed by the board from time to time.

SECTION 5. Vice Chairman. In the absence of the Chairman or in the event of his or her 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. The Vice Chairman shall also perform such other duties as from time to time may be assigned to them by the board.

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

- (a) keeping or causing to be kept the minutes of the meetings of the members and of the board in books provided for that purpose.
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its Seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping or causing to be kept the register of the names and post office addresses of all members;
- (e) keeping or causing to be kept on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to them by the board.

SECTION 7. Treasurer. The Treasurer shall be responsible for the general performance of all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to them by the board.

SECTION 8. General Manager. The board may appoint a general manager who shall serve as chief executive officer and who may be, but who shall not be required to be, a member of the cooperative. The general manager shall perform such duties and shall exercise such authority as the board may from time to time vest in them.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board shall determine. The board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties and compensations of officers and agents of the Cooperative shall be fixed by the board, subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of directors. Wage and salary ranges for positions for other employees shall be fixed by the board.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

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

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operative costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the same status as though they have been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

Allocations to patrons under this section shall be made annually by the board as provided by board policy, giving consideration to kWh usage, cost of service to various classes of patrons, and other relevant factors.

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 rate basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part.

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 patrons' premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of the estate shall request in writing that the capital credited to 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, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and 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 3. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything therein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage, or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets,

rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues and income there from, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative; provided further that the board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

ARTICLE IX SEAL

The Corporate Seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Arkansas."

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board 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. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board may select.

SECTION 3. Fiscal Year. The fiscal year of the Cooperative shall begin on the first (1st) day of January of each year and shall end on the thirty-first (31st) day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative shall not become a member of, or purchase stock in any other organization without an affirmative vote of the board at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the board, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification or any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the United States Department of Agriculture. The board shall also after the close of each fiscal year cause to be made by a Certified Public Accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. The annual report shall be submitted to the members at the next following annual meeting.

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

ARTICLE XII AMENDMENTS

These bylaws may be altered or amended by the affirmative vote of not less than two-thirds (2/3) of the members of the board at any regular or special meeting. A copy of the revised bylaws shall be sent to each member of the cooperative within a reasonable time after such action has been taken.

STATEMENT OF NONDISCRIMINATION

OECC is an equal opportunity employer and is committed to providing equal employment opportunity for all qualified persons. It is the policy of OECC to make any employment-related decisions without regard to race, color, religion, creed, sexual orientation, national origin, citizenship, gender, gender identity, age, disability, marital status, veteran status, or any other legally protected status.

We work to maintain an environment free from discrimination and harassment. We will impose only job-related requirements in all employment and transfer decisions and in all personnel actions, including compensation, benefits, terminations, training, and social programs.