

THE MIDWEST ELECTRIC COOPERATIVE CORPORATION

CORPORATE BYLAWS

INDEX

<u>Section</u>	<u>Page</u>
1. MEMBERSHIP	1
Requirements for Membership	1
Membership Limit	1
Transfer of Membership	1
Membership Roster	2
Purchase of Electric Energy	3
Termination of Membership	3
Unclaimed Payments/Property	3
Property Interests of Members	4
Non-Liability for Debts of the CORPORATION	4
2. MEETINGS OF MEMBERS	4
Annual Meetings	4
Special Meetings	5
Notice of Member’s Meeting	5
Quorum	5
Voting	5
Proxies	6
Meetings of Members	6
3. DIRECTORS	6
General Powers	6
Election and Tenure of Office	7
Qualifications	7
Nominations	7
Removal of Directors by Members	8
Vacancies	8
Compensation	8
Director’s Interest in Contracts	8
4. MEETINGS OF DIRECTORS	9
Annual Meetings	9
Special Meetings	9
Notice	9
Quorum	9
Action without a Meeting	10
Presumption of Assent	10
Committees	10
Telephonic Meetings	10
Meetings of the Board of Directors	10
5. OFFICERS	11
Number	11
Election and Termination of Office	11

	Removal of Officers and Agents by Directors	11
	Vacancies	11
	President	12
	Vice President	12
	Secretary	12
	Treasurer	12
	Salaries	12
6.	INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS	13
7.	NON-PROFIT OPERATION.	13
	Interest or Dividends on Capital Prohibited	13
	Patronage Capital in Connection with Furnishing Electric Energy	13
	Patronage Refunds in Connection with Furnishing Other Services	14
8.	DISPOSITION OF PROPERTY.	14
9.	SEAL	15
10.	CONTRACTS	15
11.	LOANS	15
12.	CHECKS, DRAFTS, OR ORDERS	15
13.	DEPOSITS	15
14.	CALENDAR YEAR	16
15.	POLICIES, RULES AND REGULATIONS.	16
16.	ACCOUNTING SYSTEM AND REPORTS	16
17.	SETOFF OF CLAIMS	16
18.	WAIVER OF NOTICE	16
19.	CONSTRUCTION AND DEFINITION	16
20.	AMENDMENTS	17

THE MIDWEST ELECTRIC COOPERATIVE CORPORATION

CORPORATE BYLAWS

THE MEMBERS OF THE CORPORATION, BY DEALING WITH THE CORPORATION ACKNOWLEDGE THAT THE TERMS AND PROVISIONS OF THE ARTICLES OF INCORPORATION AND BYLAWS OF THE CORPORATION AND ANY POLICIES, RULES AND REGULATIONS ADOPTED BY THE BOARD OF DIRECTORS, ALL OF WHICH ARE SUBJECT TO CHANGE FROM TIME TO TIME, SHALL CONSTITUTE AND BE A CONTRACT BETWEEN THE CORPORATION AND EACH MEMBER, AND BOTH THE CORPORATION AND THE MEMBERS ARE BOUND BY SUCH CONTRACT, AS FULLY AS THOUGH EACH HAD SIGNED A SEPARATE INSTRUMENT CONTAINING SUCH TERMS AND PROVISIONS.

1. MEMBERSHIP

1.1 Requirements for Membership.

Membership shall be open to the public, any natural person, corporation, cooperative, association, partnership, limited liability company, joint venture, trust, or body politic or subdivision thereof, providing that person or entity has a legal capacity to enter into a binding contract, may become a member in **The Midwest Electric Cooperative Corporation** (hereinafter call the “CORPORATION”) by:

- 1.1.1 executing a written application for membership on forms approved by the CORPORATION;
- 1.1.2 agreeing to purchase and use electric energy from the CORPORATION as hereinafter specified; and
- 1.1.3 agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the CORPORATION and any policies, rules and regulations adopted by the Board of Directors, all of which are subject to change from time to time.

In addition, any member may become a voting-member by paying a non-refundable FIVE DOLLAR (\$5.00) membership fee.

1.2 Membership Limit.

No member may hold more than one membership in the CORPORATION.

1.3 Transfer of Membership.

No membership in the CORPORATION shall be transferable.

1.4 Membership Roster.

Membership in the CORPORATION shall be evidenced by a membership roster which shall be in such form and shall contain such information as shall be determined by the Board of Directors. Such membership roster shall be signed by the President and by the Secretary of the CORPORATION and the corporate seal shall be affixed thereto not less frequently than annually.

- 1.4.1 The officer or agent having charge of the membership roster of the CORPORATION shall make, at least ten (10) days before each meeting of Members, a complete record of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order with the member's address. For a period of ten (10) days prior to such meeting, the membership roster shall be kept on file at the Registered Office of the CORPORATION and shall be subject to inspection and copying by any Member at any time during usual business hours. Such membership roster, or a duplicate thereof, shall also be produced and kept open at the time and place of the meeting of Members and shall be subject to the inspection of any Member during the whole time of the meeting. The membership roster of the CORPORATION shall be prima facie evidence as to who are the Members entitled to examine and copy such membership roster or vote at any meeting of the Members.
- 1.4.2 For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the date on which notice of the meeting is mailed, shall be the record date for such determination of members, or in order to make a determination of Members for any other proper purpose, the Board of Directors of the CORPORATION may provide that the membership roster shall be closed for stated period but not to exceed, in any case, thirty (30) days. If the membership roster shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such membership roster shall be closed for at least ten (10) days immediately preceding such meeting.
- 1.4.3 In lieu of closing the membership roster, the Board of Directors may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than thirty (30) days and, in the case of a meeting of Members, not less than ten (10) days prior to the date on which the particular action, requiring such determination of Members, to be taken. If the membership roster is not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed, shall be the record date for such determination of members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

1.5 Purchase/Use of Electric Energy.

Each member shall as soon as electric energy becomes available, purchase from the CORPORATION all electric energy lawfully used on the premises specified in the member's application for membership, and shall pay therefore at the time and at the rates which shall from time to time be fixed by the Board of Directors. Provided, however, that the Board of Directors may limit the amount of electric energy which the CORPORATION shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by the members as CORPORATION capital and each member shall be credited with the capital as furnished as provided in the Bylaws. Each member shall pay to the CORPORATION such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by the member to the CORPORATION as and when the same shall become due and payable. Nothing contained herein shall limit the right of members to generate electric energy in accordance with CORPORATION policy and the CORPORATION agrees to purchase, for a purchase price based on the current policies adopted by the Board of Directors, such excess energy as any member shall generate according to CORPOATION Policy. The Board of Directors shall adopt from time to time such policies, rules and regulations as are prudent and necessary to implement this subsection which policies, rules and regulations shall conform in all respects to rules and regulations of Federal, State and Local governments.

1.6 Termination of Membership.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the CORPORATION may by the affirmative vote of not less than two-thirds (2/3) of all the Directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation and Bylaws of the CORPORATION and any policies, rules and regulations adopted by the Board of Directors.

Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership roster shall be updated to delete the terminated membership. Termination of membership in any manner shall not release a member or the member's estate from any debts due the CORPORATION.

1.7 Unclaimed Payments/Property.

In case a membership shall be withdrawn or otherwise terminated and the CORPORATION is unable to locate such former member for purpose of paying any amounts due the member, such unclaimed payments/property, including but not limited to deposits, capital credits and/or service fees, shall be transferred to the donated capital of the CORPORATION in the manner provided by this subsection. Any member within three (3) years after the date of termination of that member's membership may make application for refund of the unclaimed payments/property held by the CORPORATION and shall be entitled to such.

After three (3) years, the member agrees that all such unclaimed payments/property shall be considered donated capital of the CORPORATION.

Prior to the transfer of such unclaimed payments/property to the donated capital of the

CORPORATION, the CORPORATION shall cause notice to be sent to the last know address of the member as shown upon the records of the CORPORATION of the intention of transfer the unclaimed payments/property to donated capital, such notice shall be sent by regular United States mail at least thirty (30) days prior to the transfer.

Once each year the CORPORATION shall cause to be published in the legal newspaper of each county within its service area the names of all members who have unclaimed payments/property due the member from the CORPORATION which has remained unclaimed for less than three (3) years prior to the transfer of such unclaimed payments/property to the donated capital of the CORPORATION. Each member agrees that after three years such unclaimed payments/property shall constitute donations to the capital of the CORPORATION.

At the close of each calendar year of the CORPORATION, it shall transfer all unclaimed payments/property in its possession to the donated capital account of the CORPORATION subject to the claims of former members as herein provided.

All such unclaimed payments/property in the hands of the CORPORATION at the time of the adoption of this amendment, shall, after compliance with the notice provisions of this subsection be transferred to the donated capital of the CORPORATION but shall be liable to claims for a period of three years from the date of the adoption of this amendment (July 2, 2004).

1.8 Property Interest of Members.

Upon dissolution, after (a) all debts and liabilities of the CORPORATION shall have been paid, and (b) all capital furnished through patronage shall have been retired in accordance with the polices, rules and regulations if the CORPORATION adopted by the Board of Directors, the remaining property and assets of the CORPORATION shall be distributed among the members and former members, pro rata, in the proportion which the aggregate patronage of each bears to the total patronage of all members during the three (3) years next proceeding the date of the filing of the certificate of dissolution.

1.9 Non-Liability for Debts of the CORPORATION.

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

2. MEETINGS OF MEMBERS

2.1 Annual Meeting.

The Annual Meeting of the members shall be held on a secular day in March or April of each year, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Annual meetings shall be held in any Village or City located within the boundaries of Chase, Hayes, Keith, Lincoln and Perkins Counties, at such time and place, as shall be determined by the Board of Directors.

2.2 Special Meetings.

Special Meetings of the members may be called by the President, a majority of the Board of Directors, or by not less than ten percent (10%) of all the members entitled to vote at a meeting. Special meetings shall be held in any Village or City located within the boundaries of Chase, Hayes, Keith, Lincoln and Perkins Counties, at such time and place, as shall be determined by the Board of Directors, as shall be stated in the notice.

2.3 Notice of Member's Meeting.

Written Notice, stating the place, day and hour of the meeting, shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, and, in case of a Special Meeting, the purpose or purposes for which the meeting is called shall be delivered not less than three (3), no more than five (5) days before the day of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. Notice shall be deemed to be delivered when deposited in the United States mail addressed to the members at the address appearing on the membership roster of the CORPORATION, postage prepaid and affixed thereto. Any member may waive notice of any meeting. Neither the business transacted at, nor the purpose of, any regular or special meeting of the members need to be specified in the Waiver or Notice of such meeting. The attendance of a member at a meeting shall constitute a Waiver of Notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.4 Quorum.

The lesser of fifty (50) members or five percent (5%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members. A majority of the members present at a meeting, even though less than a majority of the members, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until such time as a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater number is required by law.

2.5 Voting.

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

Membership standing in the name of another Corporation may be voted by such officer, agent or proxy as the Bylaws of such Corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such Corporation may determine.

Membership held by an administrator, Personal Representative, guardian or conservator may be voted by him/her, either in person or by proxy, without a transfer of such membership

into his/her name. Membership standing in the name of trustee may be voted by the Trustee either in person or by Proxy, but no trustee shall be entitled to vote without transfer of such membership into the Trustee's name.

Membership standing in the name of a receiver may be voted by such receiver, and membership held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his/her name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

2.6 Proxies

At all meetings of the Members, a Member may vote either in person or by proxy executed in writing by a Member or by the Member's duly authorized attorney-in-fact. No proxy shall be valid after forty-five (45) days from the date of its execution, and unless the same shall be filed with the Secretary not less than five (5) days before the time of the meeting. All proxies shall be made on forms prescribed by the Secretary of the CORPORATION.

2.7 Meetings of the Members.

Meetings of the Members shall be presided over by the president, or in the president's absence, the vice-president.

On question of parliamentary procedure not covered by these Bylaws, Robert's Rules of Order shall govern. The order of business at the regular annual meeting of Members and, so far as applicable, at all other meetings, shall be as follows:

- 2.7.1 Determination of quorum;
- 2.7.2 Proof of due notice of the meeting by the secretary or assistant secretary;
- 2.7.3 Reading and disposition of unapproved minutes from prior meetings;
- 2.7.4 Report of Board of Directors;
- 2.7.5 Reports of officers;
- 2.7.6 Election of Directors;
- 2.7.7 Disposition of unfinished business;
- 2.7.8 Presentation and disposition of new business;
- 2.7.9 Adjournment.

3. DIRECTORS

3.1 General Powers.

The business and affairs of the CORPORATION shall be managed by a board of nine (9) Directors which shall exercise all of the powers of the CORPORATION except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Although the number and qualifications of the Directors may be changed from time to time by amendment to these Bylaws, no change shall affect the incumbent Directors during the terms for which they were elected.

3.2 Election and Tenure of Office.

All Directors shall be elected by secret ballot for a term of three years, by and for the members, to serve during such terms and until their successor shall have been elected and shall have qualified unless their service is earlier terminated because of death, resignation or removal. No person shall be elected to the position of Director more than four (4) consecutive times, and must set out one year before being eligible for re-election. No person who has held the position of Director, or acted as a Director, for more than two (2) years of a term to which some other person was elected Director shall be elected to the position of Director more than three (3) consecutive times. If an election of Directors shall not be held on the day designated herein for the Annual Meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Directors may be elected by a plurality vote of the members.

3.3 Qualifications.

No person shall be eligible to become or remain a Director or to hold any position of trust in the CORPORATION who:

- 3.3.1 does not have the legal capacity to enter into a binding contract or
- 3.3.2 is not a member and bona fide resident in the district that the Director represents or
- 3.3.3 is in any way employed by or financially interested in a competing enterprise or business selling electric energy.

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

3.4 Nominations.

It shall be the duty of the Board of Directors to appoint not less than forty-five (45) days nor more than ninety (90) days before the date of a meeting or the members at which Directors are to be elected a committee on nominations consisting of not less than five (5) nor more than fifteen (15) members who shall be selected from different districts of the CORPORATION service area so as to insure equitable geographical representation. No member of the Board of Directors may serve on such committee. The Secretary of the CORPORATION shall cause notice of the names of the members of the committee, and the time and place of their meeting to be given to the membership by publishing in the newsletter through direct mailings, or through local media at least ten (10) days prior to the meeting of the committee on nominations. The committee keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the CORPORATION at least thirty (30) days before the meeting a list of two (2) or more nominees for each board position to be filled by the election. Nominees shall reside in the district having the director's position up for election. If the nominating committee determines that insufficient qualified nominees reside in the district to meet the requirements set forth herein, the nominating committee may nominate a member of the CORPORATION, who resides within the CORPORATION'S service area and has an active meter in the district where the director's position is up for election. Any fifteen (15) or more members acting together may make other nominations by petition not less than fifteen (15) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by

the committee is posted. The Secretary shall be responsible for mailing with the notice of the meeting or separately but at least ten (10) days before the date of the meeting a statement of the number of directors to be elected and the names and address of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations by petition, if any.

3.5 Removal of Directors by Members.

Any member may bring charges against a Director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members may request the removal of such Director by reason thereof. Such Director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the member or members bring the charges against the director shall have the same opportunity. The question of the removal of such Director shall be considered and voted upon at the meeting of the members.

3.6 Vacancies.

Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or a special meeting of Members called expressly for that purpose.

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Directors by the members, vacancies caused by any other cause may be filled by the affirmative vote of the majority of the remaining Directors, though less than a quorum on the Board of Directors, provided however, the Director which has been removed by the members shall not be eligible. A Director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office. The Board of Directors, may by action of the majority of the Board, declare a vacancy to exist if:

- 3.6.1 The Director fails to attend a regular Board meeting for three (3) consecutive months without sufficient reason,
- 3.6.2 If the Director is incapacitated by health problems and it appears that his health is declining, or
- 3.6.3 If the Director is absent for more than three (3) months from the district that the Director represents during any twelve (12) month period.

3.7 Compensation.

By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the CORPORATION in any other capacity and receiving fair and reasonable compensation therefore.

3.8 Director's Interest in Contracts.

In the absence of fraud, and except as otherwise provided in these Bylaws, no contract or other transaction between the CORPORATION and any other person, corporation, cooperative,

firm, syndicate, association, partnership or joint venture shall be either void or voidable or otherwise affected by reason of the fact that one or more Directors of the CORPORATION are or become Directors or officers of such other corporation, cooperative, firm, syndicate or association, or members of such partnership or joint venture, or are pecuniary or otherwise interested in such contract or transaction, provided that the fact such Director or Directors of the CORPORATION are so situated or so interested, or both (1) is disclosed or known to the Board of Directors or the committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Director(s); (2) is disclosed or known to the Members entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or (3) the contract or transaction is fair and reasonable to the CORPORATION. Any Director of the CORPORATION who is also a Director or officer of such other corporation, cooperative, firm, syndicate or association, or a member of such partnership or joint venture or is pecuniarily or otherwise interested in such contract or transaction, may be counted for the purpose of determining the presence of a quorum at any meeting of the Board of Directors which shall authorize any such contract or transaction.

4. MEETINGS OF DIRECTORS

4.1 Annual Meetings.

A regular meeting of the Board or Directors shall be held monthly at such time and place 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.

The annual meeting of the Board of Directors shall be held without notice other than this Bylaw immediately following adjournment of the annual meeting of Members and shall be held at the same place as the annual meeting of Members unless some other place is agreed upon by vote of majority of the then elected Board of Directors.

4.2 Special Meetings.

Special Meetings of the Board of Directors may be called by the President or a majority of the Board of Directors, and shall be held at the principal office of the CORPORATION or at such other place, within the State of Nebraska, and at such date and time, as the notice may state.

4.3 Notice.

Notice of special meetings shall be mailed to each Director at his/her last known address at least five (5) days prior to the date of holding said meetings. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting.

4.4 Quorum.

A majority of the number of Directors fixed by the Bylaws shall constitute a quorum for

the transaction of business at any meeting of the Board of Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a quorum is present at any meeting, the majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

4.5 Action Without a Meeting.

Any action required to be taken at a meeting of the Board of Directors, or of any committee, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote. The consent may be executed by the Directors in counterparts.

4.6 Presumption of Assent.

A Director of the CORPORATION who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the CORPORATION immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

4.7 Committees.

The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, appoint an executive committee and one (1) or more other committee(s), each committee to consist of two (2) or more Directors of the CORPORATION, which committee(s) shall, to the extent permitted by law, have and may exercise such powers of the Board of Directors in the management of the business and affairs of the CORPORATION as shall be delegated to them.

4.8 Telephonic Meetings.

Members of the Board of Directors or any committee appointed by the Board of Directors may participate in a meeting of such Board of committee by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

4.9 Meetings of the Board of Directors.

Meetings of the Board of Directors shall be presided over by the president, or in the president's absence, the vice-president. The Board of Directors may at their option elect from their number a presiding officer for any meeting of the Board of Directors.

On question of parliamentary procedure not covered by these Bylaws, Robert's Rules of Order shall govern. The order of business at the annual meeting of the Board of Directors and,

so far as applicable, at all other meetings, shall be as follows:

- 4.9.1 Calling the roll; determining and announcing the Directors present; determination of quorum;
- 4.9.2 Proof of due notice of the meeting by the secretary or assistant secretary;
- 4.9.3 Reading and disposition of unapproved minutes from prior meetings;
- 4.9.4 Reports of officers;
- 4.9.5 Election of officers;
- 4.9.6 Disposition of unfinished business;
- 4.9.7 Presentation and disposition of new business;
- 4.9.8 Adjournment.

5. OFFICERS

5.1. Number.

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

5.2 Election and Term of Office.

The officers of the CORPORATION shall be elected by the Board of Directors at its annual meeting, by secret ballot, unless waived by unanimous consent. Each officer shall hold office for a term of one (1) year or until his/her successor shall have been duly elected and shall have become qualified, unless his/her service is terminated sooner because of death, resignation or otherwise.

5.3 Removal of Officers and Agents by Directors.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the CORPORATION will be served thereby. In addition any member of the CORPORATION may bring charges against an officer and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (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 charge against him/her shall have the same opportunity. In the event the Board does not remove such officer, the question of this removal shall be considered and voted upon at the next meeting of the members.

5.4 Vacancies.

Vacancies occurring in any office by reason of death, resignation, or otherwise may be filled by the Board of Director at any meeting.

5.5 President.

The President shall be the chief executive officer of the CORPORATION and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the CORPORATION. The President shall, when present, preside at all meetings of the Members and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the CORPORATION thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contract, or other instruments which the Board of Directors has authorized to be executed, except in cases where 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 CORPORATION or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.6 Vice President.

In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President may sign with the Secretary and shall perform such other duties as from time to time may be assigned by the president or by the Board of Directors.

5.7 Secretary.

The Secretary shall attend and keep Minutes of the meetings of the Members and of the Board of Directors' in one or more books provided for that purpose, see that all Notices are duly given in accordance with the provisions of these Bylaws or as required by law, be the custodian of the CORPORATION Records and of the Seal of the CORPORATION and see that the Seal of the CORPORATION is affixed to all documents the execution of which on behalf of the CORPORATION under its seal is duly authorized, keep a membership roster of the names and post office address of each Member which shall be furnished to the Secretary by such Member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

5.8 Treasurer.

The Treasurer shall have charge and custody and be responsible for all funds and securities of the CORPORATION, receive and give receipts for all securities and monies due and payable to the CORPORATION from any source whatsoever, deposit all such monies in the name of the CORPORATION in such banks, trust companies, or in other depositories as shall be selected in accordance with the provision of these Bylaws and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. If required by the Directors, the Treasurer shall give bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

5.9 Salaries.

The salaries of the officers shall be fixed from time to time by the Board of Directors,

and no officer shall be prevented from receiving such salary by reason of the fact that he/she is also a Director of the CORPORATION.

6. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

To the extent permitted by law, the CORPORATION may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, against all costs and expenses reasonably incurred by or imposed upon him/her in connection thereto to which he/she may be involved in by reason of his/her being or having been a Director, officer, employee, and/or agent of the CORPORATION, except in relation to matters in which he/she has been finally adjudged in such action, suit or proceeding to have been derelict in the performance of his/her duties as such Director, officer, employee and/or agent. The foregoing may include reimbursement of the amounts paid and expenses incurred in settling, compromising or otherwise adjudicating any such action, suite or proceeding, when such disposition thereof appears to be in the best interest of the CORPORATION.

To the extent permitted by law, the CORPORATION shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the CORPORATION against any liability asserted against him/her and incurred in such capacity or arising out of his/her status as such, whether or not the CORPORATION would have the power to indemnify him/her against such liability.

The indemnity provided for by this Article shall not be deemed to be exclusive of any other rights to which those indemnified may be otherwise entitled, nor shall the provisions of this Article be deemed to prohibit the CORPORATION from extending its indemnification to cover other persons or activities to the extent permitted by law or pursuant to any provision in the Bylaws.

7. NON-PROFIT OPERATION

7.1 Interest or Dividends on Capital Prohibited.

The CORPORATION shall at all times be operated on a CORPORATION non-profit basis for the mutual benefit of its member patrons. No interest or dividends shall be paid or payable by the CORPORATION on any capital furnished by its member patrons.

7.2 Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy the CORPORATION's operations shall be so conducted that all member patrons will through their patronage furnish capital for the CORPORATION. In order to induce patronage and to assure that the CORPORATION will operate on a non-profit basis the CORPORATION is obligated to account on a pro rata basis to all it's member patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against furnishings of electric energy. All such amounts in excess of operating costs and expenses at the amount of receipt for the CORPORATION are received with the understanding that they are furnished by the member patrons as capital. The CORPORATION shall allocate to a capital account for each member patron all such amounts in excess of operating costs and expenses. The books and

records of the CORPORATION shall be set up and kept in such a manner that at the end of each calendar year the amount of capital, if any, so furnished by each member patron is clearly reflected and credited in an appropriate record to the capital account of each member patron and the CORPORATION shall within a reasonable time after the close of the calendar year notify each patron of the amount of capital so credited to the member's account. All such amounts credited to capital account of any member patron shall have same status as though they had been paid to the member patron in cash in pursuance of legal obligation to do so and the member patron had then furnished the CORPORATION corresponding amounts for capital.

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

In the event of dissolution or liquidation of the CORPORATION after all outstanding indebtedness of the CORPORATION 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 CORPORATION will not be impaired thereby, the capital then credited to member's accounts may be retired in full or in part. Any such retirements of capital shall be done under the current CORPORATION'S policy adopted by the Board of Directors.

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 member, who was a natural person, if the Personal Representative or other legal representatives of this estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors, acting under current CORPORATION policies adopted by the Board of Directors, provided, however, that the financial condition of the CORPORATION will not be impaired

7.3 Patronage Refunds in Connection with Furnishing Other Services.

In the event that the CORPORATION should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or service shall, insofar as permitted by law, be allocated annually on a pro rata basis to the capital account of the members from who such amounts were obtained.

8. DISPOSITION OF PROPERTY

The Board of Directors of the CORPORATION, shall without authorization by the members thereof, have full power and authority to authorize the execution and delivery of a mortgage or mortgages or deed or deeds or trust upon, or the pledging or encumbering of any or all property, assets, rights privileges, licenses, franchises, and permits of the CORPORATION,

whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the CORPORATION. The Board of Directors may upon the authorization of a majority of those members of the CORPORATION present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or substantial portion of the Corporation property pursuant to the Act under which this CORPORATION is incorporated.

9. SEAL

The Board of Directors shall provide a Corporate Seal, which shall be circular in form and shall have inscribed thereon the name of the CORPORATION and the state of incorporation and the words "Corporate Seal". The seal shall be stamped or affixed to such documents as may be prescribed by law or custom or by the Board of Directors or other authorized person.

10. CONTRACTS

Except as otherwise provided in these Bylaws, the Board or 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 CORPORATION, and such authority may be general or confined to specific instances.

11. LOANS

No loans shall be contracted on behalf of the CORPORATION and on evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

12. CHECKS, DRAFTS, OR ORDERS

All checks, Drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the CORPORATION shall be signed by such officer or officers, agent or agents, employee or employees of the CORPORATION IN such manner as shall from time to time be determined by resolution of the Board of Directors.

All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the CORPORATION shall be signed by such officer or officers, agent or agents of the CORPORATION and in such manner as shall from time to time be determined by resolution of the Board of Directors.

13. DEPOSITS

All funds of the CORPORATION shall be deposited from time to time to the credit of the CORPORATION in such bank as the Board of Directors may select.

All funds of the CORPORATION not otherwise employed shall be deposited from time to time to the credit of the CORPORATION in such banks, trust companies, or other depositories as the Board of Directors may select.

14. CALENDAR YEAR

The calendar year of the CORPORATION shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

15. POLICIES, RULES AND REGULATIONS

The Board of Directors shall have power to make and adopt such polices, rules and regulations, from time to time, 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 CORPORATION.

16. ACCOUNTING SYSTEM AND REPORTS

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Rural Utilities Service of the United States of America. The books of the Corporation shall be examined by an independent certified public accountant which shall render reports to the Board of Directors at least once a year at regular meetings of the Board of Directors. The Board of Directors shall also after the close of each calendar year cause to be made a full and complete audit of the accounts, books and financial condition of the CORPORATION as of the end of such calendar year. Such audit reports shall be submitted to the members at the next following annual meeting.

17. SETOFF OF CLAIMS

The CORPORATION shall be entitled to setoff against any claims it has against any member of non-member who purchases elective energy or the other service from the CORPORATION, any amounts which the CORPORATION may owe the member or non-member, including, but not limited to, the member capital credit account.

18. WAIVER OF NOTICE

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

Whenever any Notice is required to be given to any Member of Director of the CORPORATION under the provisions of the Articles of Incorporation, these Bylaws or the ELECTRIC COOPERATIVE CORPORATION ACT, a waiver thereof in writing, signed by the person or persons entitled to such Notice, whether before or after the time state therein, shall be equivalent to the giving of such Notice.

19. CONSTRUCTION AND DEFINITION

Unless the context requires otherwise, the general provisions, rules of construction, and

definitions contained in the ELECTRIC COOPERATIVE CORPORATION ACT, of the State of Nebraska shall govern the construction of these Bylaws. Without limiting the foregoing, the masculine gender includes the feminine and neuter; the singular number includes the plural, and the plural number includes the singular; "Shall" is mandatory and "may" is permissive; and "person" includes the CORPORATION as well as the natural person.

20. AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two thirds (2/3) of the members of the Board in any regular or special meeting provided the notice of such meeting shall have contained a copy of the proposed alteration amendment or repeal.

Passed and adopted by the Members as the Bylaws of THE MIDWEST ELECTRIC COOPERATIVE CORPORATION at a regular meeting of the CORPORATION at Grant, Nebraska, on the 16th day of March, 1995.

Witness my hand and seal of the CORPORATION this 16th day of March, 1995.

BY:

Duane Ervin
Duane Ervin, Secretary

CORPORATE SEAL

