WHITEWATER VALLEY REMC BYLAWS

LATEST REVISED COPY AS APPROVED BY THE BOARD OF DIRECTORS

MAY 2020

MISSION STATEMENT

To provide the power for our member-owners to enhance their quality of life.

VISION STATEMENT

Our vision is to be operationally efficient with excellent customer service and generate sound financial performance to benefit our members.

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ARTICLE I : MEMBERSHIP

SECTION 1
Conditions Of Membership

The corporate purpose of this Cooperative, in accordance with I.C. 8-1-13-9(a), shall be to render services to or for the benefits of its members, and to provide and market services and commodities to its members and to other consumers to provide benefit to its members. No person shall become or remain a cooperative member unless such person has complied with the membership terms and conditions in the bylaws and purchases electric energy supplied by the Cooperative.

Any natural person not less than 18 years of age, firm, partnership, association, corporation or body politic may become a member of and receive electric service from the Whitewater Valley Rural Electric Membership Corporation (hereinafter called the Cooperative) at one or more than one location by:

(a) Filing an application for membership;

(b) Agreeing to purchase electric energy from the Cooperative;

(c) Agreeing to comply with and be bound by, the articles of consolidation, the cooperative bylaws, any rules, regulations and policies adopted by the Board; and

(d) Being accepted for membership by the Board of Directors or members of the Cooperative as hereinafter specified.

SECTION 2
Application for Membership

(a) Any person who desires to purchase electric energy from the Cooperative shall file a membership application with the Cooperative. The application may be written or communicated over the telephone. An application submitted by telephone shall be deemed to include all elements as set forth in written applications.

By submitting an application the applicant shall be deemed to agree to all of the following conditions:

(1) To purchase electric energy from the Cooperative at a service connection as designated in the membership application;

(2) To comply with and be bound by the Cooperative's Articles of Consolidation ad any acts of Consolidation; the Cooperative's bylaws or amendments thereto; all membership terms adopted by the Board, and such rules, regulations and policies as may be adopted by the Board of Directors from time to time;

(3) To pay all fees designated in the rules, regulations and policies that are incidental to providing electric energy at the service connection;

(4) All fees that are required by the bylaws, rules, regulations ad policies as set by the Board of Directors shall accompany all applications, unless such fees have been previously

paid. If an application is submitted by telephone any fees will be added to the applicant's first monthly bill as a separate and specific amount and shall be paid in full.

(b) The Cooperative reserves the right to require all applications to be submitted in writing and to be accompanied by all required fees. Membership under an application submitted over the telephone shall be conditional until such time as the Cooperative shall receive payment of all required fees in full, and upon the Cooperative confirming the applicant's service location and qualifications for membership.

(c) With respect to any particular classification of service for which the rules, regulations and policies shall require any supplemental contracts or agreements, all applications shall be accompanied by such supplemental contracts or agreements, executed by the applicant on such form as shall be provided by the Cooperative.

SECTION 3
Purchase of Electric Energy

The Board of Directors shall not permit the sale of electric energy from any service connection unless the purchaser of said energy has filed an application for membership and has agreed to comply with the terms and conditions of said application for membership, the cooperative's bylaws and amendments, and such rules, regulations and policies as may be adopted by the Board.

As soon as electric energy is available each applicant may purchase electric energy used at the service connection. Each member will purchase electricity at rates as fixed from time to time by resolutions of the Board.

It is expressly understood that all amounts paid by members for electric energy in excess of the cost of service are furnished by members as capital used by the cooperative. Each member shall be credited with the capital in excess of the expenses of operating as provided by these bylaws.

Each member shall pay the Cooperative a minimum amount per month regardless of the amount of electrical energy consumed, as shall be fixed by the bylaws, rules and regulations or any policies set by the Board. All members shall pay all amounts owed to the Cooperative when they become due and payable.

The Cooperative shall use reasonably diligent efforts to supply its members with an adequate and dependable electric service. The cooperative may limit the amount of electric energy provided to any one member due to non-compliance with the cooperatives facility requirements; curtailment requirements from energy suppliers and or regulators; or other factors determined by or imposed upon the cooperative and its membership.

ARTICLE I : MEMBERSHIP

The Cooperative cannot and does not guarantee continuous and uninterrupted electric service because it cannot guarantee a continuous and uninterrupted supply thereof. Each member shall participate in all programs that may be established by the Cooperative to enhance load management to more efficiently utilize or conserve electric energy or to conduct load research.

Production or use of electric energy on members premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro-rata basis to all of the members' outstanding accounts for all service connections, notwithstanding that the Cooperative's actual accounting procedures may not reflect such allocation and proration.

SECTION 4
Membership Fees

(a) Upon submission of the application for membership and its conditional approval by the Corporative management and payment of all required fees as set from time to time by the bylaws, rules, regulations and policies of the cooperative, the applicant shall be immediately eligible for service connection(s).

(b) All previously paid membership fees or deposits received for electrical service from predecessor corporations now comprising this Cooperative have been merged into a refundable membership fee.

(c) The board, acting through the corporation management, has the power and authority, whenever it deems it necessary to ensure payment to the Cooperative, to require from any member or applicant an additional deposit not to exceed twice the highest bill during the preceding twelve (12) month period. In the absence of an experience record on the account, a deposit not to exceed twice the estimated monthly bill may be required.

(d) The whole, or any part of any required fee or deposit, may be applied, without notice to the member or depositor, toward the payment of delinquent charges for service furnished. Whenever any member ceases using service for which their membership was paid, the member will be repaid the amount of their deposit, minus any part applied to outstanding bill.

(e) The Cooperative shall not pay interest on refundable fees or other service related deposits.

ARTICLE I : MEMBERSHIP

SECTION 5
Acceptance of Membership

Applications for membership may be accepted by cooperative management on a conditional basis. All applications will be submitted to the Board of Directors for approval within 60 days of submission.

Membership may be denied by the Board of Directors for cause within 60 days of application. Upon denial, the applicant may appeal the denial within ten days of receiving written notice. A meeting will be scheduled with the Board of Directors within 30 days of receiving the applicant's written notice of appeal.

Upon filing a written appeal with the board, the applicant may be required by the Board of Directors to pay a deposit to cover electric usage during the appeal process.

Any fees paid to the cooperative shall be refunded in the event the application is not approved. However, the applicant shall be liable for payment for all services rendered by the cooperative during the conditional membership period.

SECTION 6
Terms of Membership

Membership in the Cooperative and all privileges, duties, rights and liabilities will continue as long as the member purchases electric energy, keeps the member's account in good standing; and complies with the terms and conditions set forth in the bylaws, rules, regulations and policies set by the Board.

The terms of membership as stated above are available on the website in the Bylaw document.

SECTION 7
Change of Occupancy or Ownership of Serviced Premises

No person shall become a member of this cooperative by becoming a successor in occupancy or ownership of the premises occupied or owned by a former member. Membership may only be attained in compliance with the provision of these Bylaws.

SECTION 8
Conversion of Membership

a) An individual membership may be converted to a joint membership to be held by spouses upon the written request of the holder thereof and the written agreement by such joint holder to comply with the Articles of Consolidation, the Bylaws of the Cooperative and any amendments thereto, and the rules, regulations and policies as adopted by the Board of Directors from time to time.

b) Upon death of either party to a joint membership, such a membership shall be held solely by the survivor, provide however, that the estate of the deceased joint member shall not be

release from any outstanding debts due the Cooperative.

SECTION 9
Termination of Membership

Membership in the Cooperative shall be terminated upon the occurrence of any one or more of the following conditions:

(a) Member ceases to purchase electric energy from the Cooperative.

(b) Withdrawal from membership based on the terms and conditions set forth by the Board.

(c) Expulsion by the affirmative vote of at least two-thirds the Board of Directors for refusal or failure to comply with any of the provisions of the Articles of Consolidation, the Bylaws of the Cooperative, any amendments, and any other rules, regulations and policies as may be adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes the member liable if compliance is not made within ten days after such notice was given.

Any expelled member may be reinstated by a Board of Directors vote or by member vote at any annual or special meeting.

SECTION 10
Connection to Member's Premise(s)

Each member shall cause all premises receiving electric service pursuant to the membership to become and to remain wired in accordance with the specifications of the Indiana Fire Insurance Underwriters Association, the National Electric Code, and any applicable State code or local government ordinances.

Each member shall make available to the Cooperative a suitable site, as determined by the cooperative, upon which to place the Cooperative's physical facilities for the furnishing and metering of electric service.

Each applicant or member shall cause all premises to comply with all applicable codes and regulations and cooperative policies prior to connection to the cooperatives lines. The cooperative, once service is installed, is responsible for all facilities from the cooperative's service lines up to the connection point at the member's service drop. Facilities beyond that point are the sole responsibility of the member with the exception of the meter which is REMC property.

Each member shall also provide such protective devices to the member's premises as may from time to time be required by the cooperative to protect, prevent interference with, prevent back-feed, or other possible damage to the cooperatives facilities.

ARTICLE I : MEMBERSHIP

Each member shall use reasonable care and monitoring to prevent damage to or interference with the Cooperatives physical facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member or any other person when the member's reasonable care and monitoring reasonably could have prevented such, the member shall indemnify the Cooperative and it's employees agents, and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperatives cost of repairing, replacing, or relocating such facilities and it's loss, if any, of revenues resulting from such damage or unauthorized interface with the Cooperatives facilities.

As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly in no way act to interfere with, impair the operation of, or cause damage to such facilities, and shall use his best efforts to prevent other from so doing.

In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery to the member's premises.

SECTION 11

Member Easements and Access to Property

In consideration of receiving electrical power from the cooperative, each member grants, and consents to allow, ready and non-opposed access to all cooperative facilities located on, or crossing over or under the member's property, up to and including the member's metering point by any employee, contractor, or agent representing the cooperative. Submission by a prospective member of an application to the cooperative for service shall serve as that applicant's consent of any such access.

Each applicant/member shall, upon request by the cooperative, execute and provide in addition, written grants of easement or right-of-way on, over, across, or under all lands owned, contracted for, or legally controlled by them for the purpose of allowing the cooperative's construction, operation, maintenance, vegetation management, or relocation of the Cooperative's facilities.

Each member shall participate in any program that may be established by the Cooperative for the maintenance of all such rights-of-ways.

ARTICLE II : RIGHTS OF MEMBERS

SECTION 1
Property Interest of Members

Upon dissolution of the Cooperative, after all debts and liabilities of the Cooperative shall have been paid, and capital furnished through patronage shall have been retired as provided by these Bylaws, the remaining property and assets of the Cooperative shall, pursuant to I.C. 8-1-13-21 pass to and become the property of the State of Indiana.

Members shall not be individually or jointly liable for any debts or obligations of the Cooperative. The property of the members shall be exempt from execution, or any 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 2
Right to 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 members. Should a member or joint member hold more than one membership, they will be entitled to one vote and no more upon any matter submitted to a vote at the meeting of members.

ARTICLE III : MEETINGS OF MEMBERS

SECTION 1
Annual Meeting

The annual meeting of the members shall be held on a day designated by the Board of Directors between March 1 and November 1, as shall be designated in the notice of the meeting, for the purpose of electing directors, reviewing the financial position of the cooperative and any other business that may come before the membership.

The board will select the date of the annual meeting at least sixty (60) days before the actual meeting of the membership will occur. The date selected shall not be a legal holiday. Failure to hold the annual meeting will not force a forfeiture or dissolution of the cooperative.

SECTION 2
Special Meetings

A special meeting of the members may be called by the Board of Directors, by any five (5) directors, or by petition signed by not less than one-twentieth

ARTICLE III : MEETINGS OF MEMBERS

(1/20) 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 such place, in one of the counties in Indiana within which the Cooperative serves, on such date and at such hour as specified in the notice of the special meeting.

SECTION 3
Notice of Members Meeting

Written, printed, or electronic notice stating the place, day and hour of the cooperative membership meeting, and in case of a special meeting 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 president or the secretary, or the officers or persons calling the meeting, to each member of record entitled to vote at such meeting.

If mailed, the meeting notice is deemed delivered when deposited in the United States mail addressed to the member at his address as it appears on the Cooperative's records, with postage 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 communications. The failure of any member to receive an annual meeting or special meeting notice shall not invalidate any action taken by the members at any such annual or special meeting.

SECTION 4
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 meeting by such member, except in the case of a member who 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
Quorum

A Quorum for the transaction of business at any meeting of members shall require the presence of not less than Two Percent of all Cooperative members.

Those members physically present in person at any meeting, together with all members who, in accordance with Section 6 of this Article III cast votes before any meeting of members as to which notice was given as provided in Section 3 of the Article, shall be counted as present for purposes of calculating the number of members required to constitute a quorum. If there are less than two percent of the

sum of all members present at said meeting and those members casting votes before said meeting, then a majority of the members present at said meeting may adjourn the meeting without further notice, provided that the Secretary shall notify all members of the time, place and date for reconvening the adjourned meeting.

SECTION 6
Voting

Each member shall be entitled to one (1) vote, upon each matter submitted to a vote at a meeting of the members. Except as otherwise specifically provided in these By-laws a majority vote of those members who are voting at any regular meeting or at any special meeting of the members shall be necessary for the taking of any action, adoption of any resolution, or the election of any directors, or otherwise, as the case may be, provided that if more than two (2) persons are running for election as a director from the same district, then the person receiving the most votes shall be elected.

Voting by members, other than members who are natural persons, shall be allowed upon the presentation to the Cooperative prior to or at any such member meeting, or satisfactory evidence entitling the person presenting the same to vote.

All members may vote in person; or subject to modification of state statues and/or by adopted modifications of bylaws, policies, or regulations by the board of directors, by written proxy; electronic process, or by mail ballot upon any issue specifically set forth for a vote by the membership.

Any votes casts: 1) after notice of a meeting is provided in accordance with Section 3; and 2) before a meeting of the members; whether cast in person, by a written ballot mailed to the cooperative office, or by electronic ballot, count towards the quorum requirement set forth in Section 5 or toward any quorum requirement lawfully established in the cooperative's articles of incorporation or in the cooperative's bylaws.

SECTION 7
Order of Business

The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

(1) Certification of attendance

(2) Reading of the notice of the meeting and proof of due publication or mailing thereof, of the waiver or waivers of notice of the meeting, as the case may be.

3) Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.

4) Presentation and consideration of, and acting upon reports of officers, directors and committees.

ARTICLE III : MEETINGS OF MEMBERS

5) Election of directors

6) Unfinished business

7) New business

8) Adjournment

The Board or the members themselves may establish a different order of business for the purpose of assuring earlier consideration of and action upon any item of business that is necessary or desirable in advance of any other item of business. The only item of business which may take place without a quorum is a meeting adjournment. The Secretary shall cause the membership to be notified of the new meeting, location and date when the meeting is rescheduled due to a meeting adjournment.

ARTICLE IV : DIRECTORS

SECTION 1

General Powers

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

SECTION 2

Board of Directors and Districts

The board of Directors shall consist of nine (9) members elected by the membership. At each annual meeting the membership shall elect one director for each vacancy on the Board for a term not to exceed three years.

The Cooperative has been divided into three (3) districts for the purpose of member representation. Director positions shall total not more than

three per district and will be elected on a rotating basis of one director per district per year. The Cooperative's territorial districts are defined as follows:

Service Territory

North: Area North of I-70

Central: Area south of I-70 and north of the following roads: Whitewater River and Fayette County Road 250 South to Wellsview Road, Wellsview Road to County Road 300 South, east to Union County Road 275 South to Dunlapsville Road, east on Dunlapsville to Retherford Road, east on Retherford Road to McDill Road, east on McDill to U.S. Highway 27, east on U.S. 27 to Union County/Butler, Ohio line.

South: All areas south of the southern dividing line for the central section.

SECTION 3
Qualifications of Directors

a) No person shall be eligible to become or remain a Director of the Cooperative who does not receive the cooperative's electrical service at his/her primary residence, have the account(s) in the Director's or candidate's name and is in good standing with the Cooperative.

b) No person shall be eligible to become or remain a Director of the Cooperative who is an immediate family member of a seated or incumbent director, or who fails to meet the criteria outlined in the Cooperative's Ethics; Code of Conduct; or Anti-Nepotism policies.

c) No employee of the Cooperative, or any person who is a relative of an employee (as defined in the Cooperative's Anti-Nepotism Policy), or any employee of an affiliate organization of the cooperative shall be eligible to be nominated as or elected to be a director while such employment exists, or within three (3) years following the termination of such employment.

d) A member, to be eligible to be elected as a director of the cooperative, shall: be a natural person; have the legal capacity and competency to enter binding contracts; have a minimum of a high school diploma (or equivalent); be fluent in the English language; have no criminal convictions excepting misdemeanor traffic offenses; and have never filed bankruptcy proceeding that resulted in any financial loss to the Cooperative.

e) No person shall be eligible to become or remain a director or hold any other position of trust in the Cooperative, who is in any way employed by or financially interested in a competing enterprise, or business selling electric energy or services to the members which can be construed as directly competing with the Cooperative.

f) Upon confirmation that a nominee for Director lacks eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the official presiding over

the election at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee.

g) Upon establishing that any person being considered for, already holding a directorship or other position of trust with the Cooperative lacks eligibility under this section, it shall be the duty of the Board to withhold such position from such person or cause him/her to be removed as the case may be.

h) Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more directors shall have an undisclosed interest adverse to that of the Cooperative.

SECTION 4
Election of Directors

At each annual meeting of the members, the Directors shall be elected by the members using secret ballots. Directors are elected by plurality of votes cast for each position to be filled. Drawing by lot will resolve any tie votes.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director. Neither one shall be eligible to become or remain a director nor to hold a position of trust in the Cooperative unless both shall meet the qualification set forth in this section.

SECTION 5
Nominating Committee and Nominations for Directors

The standing nominating committee will be comprised of nine (9) members who are elected for three (3) year terms. No employee, officer or member of the Board may be a member of the standing nominating committee.

The standing nominating committee shall meet at least sixty (60) days before the annual meeting of the members for the purpose of nominating at least two (2) candidates for each open director position, and at least two (2) candidates for the open standing nominating committee positions. The Nominating Committee shall utilize due diligence to nominate at least two (2) candidates for each open position. In the event the Nominating Committee is unable to identify at least two (2) candidates willing to be nominated for each open position, then, the Nominating Committee may report a slate to the Board of Directors nominating less than two (2) candidates for any open position.

The nominating committee meeting shall be valid when at least one member from each district is present and a total of two-thirds (2/3) of all members are present to review and vote on the slate. If a quorum is not met, then the nominating committee may convene a

meeting of a quorum by telephone for purposes of voting on the slate.

A list of nominees for each open position will be posted by district at the principle office of the cooperative not less than forty-five (45) days or more than sixty (60) days before the meeting.

Nominating committee members will receive compensation as a per diem fee in discharge of their duties as fixed by the board.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected on the nominating committee. Neither one shall be eligible to become or remain a nominating committee member nor to hold a position of trust in the Cooperative unless both shall meet the qualification set forth in this section.

SECTION 6
Nomination by Membership

Fifty (50) or more members may nominate additional candidates for either director or standing nominating committee member by delivering such written nominations to the Secretary not less than forty-five (45) days prior to the date set for the meeting, and the Secretary shall cause the posting at the same place where the list of nominations made by the Nominating Committee is posted.

The Secretary shall mail to each member, at least fifteen (15) days before the meeting, a slate of the nominees for the directors and the nominating committee members to be elected. The slate shall show separately the nominations made by the Nominating Committee and the nominations made by petition, if any.

SECTION 7
Removal of Directors or Officers by Members

Any member may make charges against a board officer or director by filing them in writing with the Secretary, together with a petition signed by ten percent (10%) of the members, requesting the removal of the board officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members. The board officer or director against whom such charges have been brought shall be informed in writing of the charges at least thirty (30) days prior to the meeting at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person. Those persons bringing the charges against him shall have the same opportunity.

SECTION 8
Board Vacancies

Vacancies occurring in the Board of Directors shall be filled by a successor or successors from the district or districts where such vacancy or vacancies occur by the affirmative vote of a majority of the remaining Directors.

ARTICLE IV : DIRECTORS

Directors so elected shall serve until the next annual meeting of the members, or until their successors shall be qualified and shall be subsequently elected. The position of a Director selected by vote of a majority of the Board to fill a vacancy on the Board shall be filled by an election at the next ensuing annual meeting of the members. Candidates for that position shall be nominated by the Nominating Committee and shall be elected by the members to fill the unexpired term of the Board position as to which the vacancy occurred.

SECTION 9
Board Compensation

Directors will be compensated for board meetings, attending other internal or external meetings where they are representing the cooperative, or performing any other duties as directed by the Board. The board shall maintain a policy denoting the basis and amount of compensation including mileage and authorized expenses. The policy shall be maintained on a current basis as fixed by Board resolution from time to time.

Except in emergencies declared by board resolution, no director shall receive compensation for serving the cooperative in any other capacity. Any close relative of a director will not receive compensation for serving the cooperative, unless authorized by board resolution.

SECTION 10
Ex-Officio Board Members

At the Board's discretion it may select one Ex-officio member to participate with the Board of Directors. An interested person serving in this capacity should represent a segment of the membership served by the Cooperative that is specialized or bring expertise to the board that will benefit the entire cooperative membership.

ARTICLE V : MEETING OF DIRECTORS

SECTION 1
Regular Meetings

A regular meeting of the Board of Directors shall be scheduled monthly at such time and place as determined by the Board of Directors from time to time. The Board at its discretion may elect to not meet each calendar month provided the Board, through prior board action, determines that a regularly scheduled meeting is not necessary. However, at no time shall more than 60 days elapse between meetings. Such regular monthly meetings may be held without notice or other than such resolution fixing the time and place thereof.

ARTICLE V : MEETING OF DIRECTORS

SECTION 2
Special Meetings

Special board meeting may be called by the Chairman or any three (3) board members. It is the duty of the Secretary to notify the directors of the time and place and the purpose for the special meeting.

Those persons authorized to call special meetings of the Board of Directors may set the time and place for the holding of any special meeting of the Board of Directors, which has been called by them.

SECTION 3
Notice

At least three days prior to a special meeting of the board, directors shall receive written notice delivered personally, electronically, or mailed to each director at his last known address. If mailed, notice is deemed delivered when deposited in the United State mail with postage.

SECTION 4
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 5
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 are present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting.

SECTION 6
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 board officers of the cooperative shall be Chairman, Vice-Chairman, Secretary, Treasurer and such other officers as may be determined by the Board of Directors. At the Board's discretion, the offices of the Secretary and Treasurer may be combined. If combined, the Board of Directors, at its discretion, shall elect an Assistant Secretary-Treasurer from among its members.

SECTION 2
Election & Terms

A meeting of the Board of Directors may be held without notice other than these bylaws, after the annual meeting of members for the purpose of Board reorganization.

The board officers shall be elected annually by and from the Board of Directors at the first meeting of the Board held after each annual meeting of the members. Election of all officers shall be by secret ballot.

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 qualified and duly elected, subject to the provisions of these Bylaws with respect to 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 the 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:

(a) Presides at all meeting of the members and of the Board of Directors.

(b) Signs any deed, mortgage, deed of trust, note, bond, contract or other instrument 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 to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairman and other duties as prescribed by the Board.

ARTICLE VI : OFFICERS

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 shall:

(a) Cause the creation of minutes of meetings of the members and the Board of Directors and assure the safekeeping thereof;

(b) Cause all notices to be duly given in accordance with these Bylaws or as required by law;

(c) Be custodian of the corporate records and of the corporate seal that is affixed 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) In general perform all duties incident to the office of Secretary and other duties as prescribed by the Board.

SECTION 8
Treasurer

The treasurer shall in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

SECTION 9
President & Chief Executive Officer

The Board of Directors shall employ a President & CEO who may be, but shall not be required to be a member of the Cooperative. The President shall be the chief executive officer of the Cooperative and be responsible for managing the cooperative on a day-to-day basis, perform duties and exercise authority as the Board of Directors dictates.

SECTION 10
Bonds of Officers

The Board of Directors shall require all officers of the Cooperative charged with 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 bond in such amount and with such surety as it shall determine.

ARTICLE VI : OFFICERS

SECTION 11

Indemnification and Insurance for officers, directors and employees

The Cooperative shall indemnify and hold harmless any officer or director, and may hold harmless any employee, made or threatened to be made, a party to any action, suit or proceeding arising out of the performance by such person of his or her responsibilities as an officer, director, or employee of the Cooperative, or of any other cooperative, partnership, or enterprise for which he or she served at the request of the Cooperative, against all expenses actually and reasonably incurred in connection with such action, suit or proceeding, or in connection with any appeal thereof, except in relation to matters as to which it shall finally be determined that such person has acted in bad faith in the performance of his or her duties to the Cooperative.

The term "expense" as used herein shall include, but shall not be limited to attorney fees, cost of litigation or preparation for litigation, amount of judgments or penalties and amounts paid in settlement of an action, suit or proceeding made or threatened against a director, officer or employee of the Cooperative.

In determining whether bad faith occurred, the issue shall be whether the person involved acted honestly and with the intent to benefit the Cooperative. Consideration may be given to whether the person took or omitted to take action in reliance on advice of legal counsel for the Cooperative or upon statements made or information furnished by employees or agents of the Cooperative which that person had reasonable grounds to believe.

If there is a final adjudication in the action, suit or proceeding as to any bad faith of any officer, director or employee of the Cooperative, then such adjudication shall be binding for purposes of this section. Any such officer or director who has prevailed in such adjudication on the merits or otherwise shall be entitled to indemnification as a matter of right. If, however, the matter should be settled prior to or without such a final adjudication as to an officer or director, or in any event as to an employee, then the question of whether such person involved acted in bad faith may be determined by a majority vote of at least a quorum of the directors who are unaffected by self-interest in connection with the matter at issue. If a quorum of directors unaffected by self-interest does not exist, indemnification may be made by the Cooperative's treasurer upon receipt of a written opinion from the Cooperative's legal counsel that the person is entitled to indemnification as set forth herein.

Should a final adjudication determine that an officer, employee, or director

acted in bad faith, then the officer, employee, or director shall be immediately disqualified to serve in their position as an officer, director or employee.

If several claims, actions, issues or matters are involved, indemnification may be made for some matters even though the person involved is not so entitled as to other matters.

The Cooperative may advance expenses to or may at its expense undertake the defense of any person, pursuant to this sections, and upon receipt of an undertaking for repayment by or on behalf of the person, if it should ultimately be determined that that person is not entitled to indemnification hereunder.

The provisions of this section shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts of omissions to act during, before or after the date of adoption.

These rights of indemnification shall be in addition to any rights to which any person concerned may otherwise be entitled by contract as a matter of law, and shall inure to the benefit of the heirs or personal representatives of such person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, partnership or enterprise controlled by the Cooperative, against any liability asserted against or expense reasonably incurred by such a person arising out of his or her Cooperative, whether or not the Cooperative would be required to indemnify such person against such liability or expense under the provisions of this section or otherwise.

SECTION 12
Reports

The officers of the Cooperative shall provide annual reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII : SEAL OF CORPORATION

The corporate seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporations, the words:

Whitewater Valley Rural Electric Membership Corporation

ARTICLE VIII : FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of October of each year and end on the thirtieth day of September of the following 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 contracts or execute and deliver any instruments in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2
Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, and all notes issued in the name of the Cooperative, shall be signed by such officer or 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 or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE X : DISPOSITION OF PROPERTY

SECTION 1
Consolidation or Merger

The Cooperative may consolidate or merge with an entity as authorized by applicable law. Articles of such merger or consolidation must be approved by the affirmative vote of a majority of all members of the cooperative voting at any regular or special meeting of the members at which a proposal of such consolidation or merger is presented as provided by I.C. 8-1-13-16.

SECTION 2
Other Disposition of Assets

The Cooperative, other than as set forth in Section 1 hereof, may not, consistently with the provisions of I.C. 8-1-13-12, sell, lease, or otherwise dispose of all, or substantially all of the property of the Cooperative which upon such sale or disposition would deprive the Cooperative of its ability as an independent entity to comply with its mission statement, unless the same shall be authorized by a resolution duly adopted at a meeting of its members duly called and held as provided by law, which resolution shall have received the affirmative vote of at least a majority of all its members, which vote may be cast in person, by proxy, or by mail as authorized pursuant to Article III, Section 6 of the by-laws of the Corporation.

ARTICLE XI : DISPOSITION OF REVENUES & RECEIPTS

SECTION 1
Interest or Dividends on Capital

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 will be 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

ARTICLE XI : DISPOSITION OF REVENUES & RECEIPTS

to account on a patronage basis, to all its patrons for all amounts received and receivable from 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, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons as capital. 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. Notification of the amount of capital so credited to the account of each patron may be given at such times and in such manner as the Board of Directors may provide from time to time. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash, in pursuance of the 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 on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

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. 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 patron's accounts may be retired in full or in part. Any such retirements of capital shall be made in such manner as determined by the Board. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Cooperative shall equal at least forty percent (40%) of the total assets of the Cooperative.

Capital credited to the account of each patron shall only be assignable on the books of the Cooperative pursuant to written instructions from the assignor, and only successors in interest of 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.

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion shall have the power at any time upon death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron would otherwise be retired under the provisions of these Bylaws, to retire capital credited and conditions as the Board of Directors, acting under policies of general applications. Provided, however, that the financial condition of the Cooperative will not be impaired thereby. All such applications for Capital Credit Retirement must comply with Board of Directors' policies.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Indiana legal rate on judgments in effect when such amount became overdue, compounded annually.

SECTION 3
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 and retain 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 hereto. That attempted payment shall be mailed by the Cooperative to the last address for that member or former member as supplied to the Cooperative. The Cooperative shall provide notice in the Cooperative's monthly newsletter prior to the allocation of such unclaimed funds to the Cooperative that funds available to all members or former members shall revert to the Cooperative if not claimed by the date specified in such notice. The Cooperative shall also provide notice in the Cooperative's monthly newsletter that a list is available on the Company website, and in the office of the Cooperative, 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 two years of the first attempted payment as above set forth, such funds shall be delivered to the Cooperative as donated capital. All such unclaimed funds shall be delivered to and retained by the Cooperative as an irrevocable gift to the Cooperative. The Cooperative shall regularly cause to be provided to its members in the Cooperative's monthly newsletter information as to the Cooperative's website and access thereto, and notice that said website contains information as to funds that may be available to be claimed by members or former members.

ARTICLE XII : MISCELLANEOUS

SECTION 1
Rules & Regulations

The Board of Directors shall have power to make, adopt and enforce such rules and regulations, not inconsistent with law, the Articles of Consolidation 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.

Any policies set by the Board of Directors will guide the management of the cooperative in its administration of the affairs of the cooperative. Parliamentary procedure and Robert's Rules of Order will be used at all meetings of the members, the board, and committees established by the bylaws or by the board except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Consolidation or Bylaws.

SECTION 2
Accounting System and Reports

The Board of Directors shall cause to be established and maintain a complete accounting system which, among other things, is subject to applicable laws and rules and regulations of any governing body.

The Board of Directors shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year.

SECTION 3
Electric Energy Rate Schedules

Electric energy rates for members will be established by a resolution of the Board of Directors and in accordance with the law.

ARTICLE XIII : AMENDMENTS

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the members of the Board of Directors, which vote may be taken at any regular or special meeting of the Board of Directors; provided that notice of such alteration, amendment or repeal shall have been given with the notice of the meeting.

STATEMENT OF NONDISCRIMINATION

Whitewater Valley REMC complies with Federal nondiscrimination regulations. The President and CEO of Whitewater Valley REMC coordinates any compliance efforts.

Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statuses and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

GLOSSARY OF TERMS

Whitewater Valley REMC uses the following terms throughout the Bylaws. The terms have been defined and also show any other abbreviations or uses:

Whitewater Valley Rural Membership Electric Corporation

Whitewater Valley Rural Membership Corporation will also be referred to as Whitewater Valley REMC and as the Cooperative.

Board of Directors

Sometimes referred to as the Board of the Directors. The elected members of Whitewater Valley REMC who make the policy, rules and regulations which govern the actions of Whitewater Valley REMC.

Cooperative

Cooperative is an organization owned and operated by its members. Also, used as a reference for Whitewater Valley REMC.

Cooperative's Articles of Consolidation

The governing documents drawn up to define the basic functions and operations of Whitewater Valley REMC. The Articles of Consolidation were approved and filed December 28, 1993.

Immediate Family

Any person who is a blood relative and resides in the same household or at the same address.

Member

A natural person not less than 18 years of age, firm, corporation, or body politic who purchases electric energy from Whitewater Valley REMC.

WHITEWATER VALLEY
REMC

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