



# BYLAWS

# TRINITY VALLEY ELECTRIC COOPERATIVE, INC.

Revised 2/27/2024

# ARTICLE I

## MEMBERS

**Section 1. Member Qualifications.** Any natural person or entity, including a corporation, partnership, or body politic, may become and remain a Member in the Cooperative only if the natural person or entity:

- a) has the capacity to enter legally binding contracts;
- b) pays the membership fee;
- c) consumes, receives purchases or uses or agrees to purchase from the Cooperative electric energy as hereinafter specified;
- d) agrees to comply with and be bound by the articles of incorporation of the Cooperative and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors;
- e) has been accepted for membership by the Cooperative's board of directors or its assigns. Subject to the provisions of these Bylaws, a person or entity that has met the qualifications for membership shall be a member; and
- f) No person, firm, corporation, body politic, partnership or entity may own more than one (1) membership in the cooperative.

**Section 2. Joint Membership.** A husband and wife shall be accepted into joint membership or, if one of them is already a member, marriage of a member shall automatically convert such member's membership into a joint membership or any two (2) persons who otherwise comprise a legally recognized relationship. The words "member," "applicant," "person," or "he/she," as used in these Bylaws, shall include husband and wife, or any two (2) persons who otherwise comprise a legally recognized relationship applying for or holding a joint membership, unless otherwise clearly distinguished in the text, and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

- a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting.
- b) notice to, or waiver of notice signed by either or both shall constitute, respectively, a joint notice or waiver of notice.
- c) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership.
- d) either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and
- e) neither will be permitted to have any additional service connections except through their one joint membership.
- f) upon the legal separation or divorce of the holders of joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint: **PROVIDED**, that the other spouse shall not be released from any debts due the Cooperative.

**Section 3. Membership Fee.** The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit or any other charge or payment required by the tariff, service connection deposit or fee, facilities extension deposit, contribution in aid to construction or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit or any other charge or payment required by the tariff, service connection deposit or fee, facilities extension deposit, contribution in aid to construction or any combination thereof, if required by the Cooperative), shall be paid by the member for each additional service connection requested. The membership fee may be returned upon termination of all service: **PROVIDED**, that all amounts due the Cooperative are paid.

**Section 4. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises referred to in the application for such member for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by resolution of the Board of Directors: **PROVIDED**,

**HOWEVER**, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Directors shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable. All amounts paid by members in excess of operating costs and expenses properly chargeable against the furnishing of electricity are furnished by members as capital and each member shall be credited with the capital so furnished, as provided in these Bylaws.

**Section 5. Non-liability for Debts of the Cooperative.** The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

**Section 6. Expulsion of Members.** The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws, or any rules or regulations adopted from time to time by the Board of Directors. Any member who tampers with the Cooperative's transformers, meters, lines, poles, or any other property of the Cooperative, shall be subject to having his electric service immediately disconnected by the Cooperative and any such act on the part of a member shall be grounds for immediate expulsion from membership in the Cooperative.

Any member expelled by the Board of Directors of the Cooperative may be reinstated as a member at any annual or special meeting of the members, by a vote of a majority of the members present and voting. The action of the members with respect to any such reinstatement shall be final.

**Section 7. Withdrawal of Membership.** Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

**Section 8. Transfer and Termination of Membership.**

- a) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion, or withdrawal of a member the membership of such member shall thereupon terminate, and the membership of such member shall be terminated forthwith by the Cooperative. Termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative, nor shall it forfeit the member's right to any capital credits to which such member may become entitled under these Bylaws.
- b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (b) and (c) of Section 1 of this Article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the Cooperative's records.
- c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be: **PROVIDED; HOWEVER**, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative; nor shall such estate forfeit its right to any capital credits to which it may be entitled, or become entitled, under these Bylaws.
- d) Notwithstanding anything to the contrary contained herein the above provisions shall be extended to any two (2) persons who otherwise comprise a legally recognized relationship.

**Section 9. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs.** Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member necessary to serve such member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him/her the construction, operation, maintenance or relocation of the Cooperative's electric facilities. Each member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy, or to conduct load research.

## ARTICLE II MEETING OF MEMBERS

**Section 1. Annual Meeting.** The annual meeting of the members for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting, shall be held between August 1 and December 1 of each year, at such place in one of the counties in Texas within which the Cooperative serves, at a place centrally located and easily accessible to the entire membership of the Cooperative. The place and time of the annual meeting shall be as fixed by the Board of Directors. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

If at any annual meeting of the members of the Cooperative, a quorum is not present to elect new directors, those directors whose term would otherwise expire shall continue in office as new directors for the ensuing term, and until their successors again come up for regular election under these Bylaws.

**Section 2. Special Meetings.** Special meetings of the members may be called by the Chairman, the Board of Directors, or a majority thereof, or upon written request signed by at least ten percent (10%) of all the members and validated by the Cooperative, 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 the office of the Cooperative in the City of Athens, Henderson County, Texas, or in the City of Kaufman, Kaufman County, Texas, or at such other convenient place in either of such Counties in the State of Texas, as may be specified in the notice of the Special Meeting.

**Section 3. Notice of Member Meetings.** Written or printed notice of the place, day and hour of the meeting and, in case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting, either personally or by mail, by or at the direction of the Chairman or the Secretary (and in the case of a special meeting, at the direction of him/her or those calling the meeting). Any such notice delivered by mail may be included with members' service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert. No matter shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked not less than ten (10) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and unintended failure of any member to receive a notice deposited in the mail and addressed to the member at his address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

**Section 4. Quorum for Meetings.** Three percent (3%) of the total number of members present at a meeting in person (if voting in person is allowed at such meeting) or represented by mail ballot shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of the members present in person may adjourn the meeting from time to time without further notice.

**Section 5. Presiding Officer.** The Chairman of the Cooperative may preside over the annual meeting, or the Chairman may appoint anyone he/she may so designate to preside over the annual meeting. The presiding officer shall follow the order of business as stated in Section 8 of this Article. If any member at any annual meeting of the Cooperative requests new business be taken up at said meeting, there may be a discussion of the new business; however, no matter which would require the vote of the membership may be taken up and voted on at an annual meeting unless advance notice in writing has been given to the Board of Directors prior to the annual meeting so as to permit sufficient time to notify the members of the Cooperative that such matter would be discussed and submitted to a vote of the membership at said annual meeting. Failure to notify the Board of Directors in advance of the annual meeting so as to give sufficient time to notify the members on any matter which would require a vote of the membership that a matter would be discussed and voted on at the annual meeting

will prevent any vote on such issue at that year's annual meeting, and such matter will have to be resubmitted by the member in writing and presented to the Board of Directors in sufficient time to permit the directors to notify the membership of the Cooperative that such matter will be discussed and voted on at the following annual meeting of the Cooperative.

**Section 6. Items on Agenda.** The membership of the Cooperative may require the Board to place an item on the agenda for a vote, consistent with the provision outlined in Section 7 of this Article, at the next annual meeting by presenting to the Cooperative at least one hundred twenty (120) days prior thereto a petition signed by at least ten percent (10%) of the membership. Authentication and validation thereof are hereby inferred.

**Section 7. Voting.** To be qualified to vote at any annual meeting or special meeting of the members, a member must have been accepted as a member by the Board of Directors of the Cooperative or its assigns, and his membership must have been in active use continuously for a period of sixty (60) days previous to the date of any such meeting. A corporation, firm, or body politic, which is a member of the Cooperative and otherwise meets the requirements of these Bylaws, shall be entitled to one vote. Each such corporation, firm, or body politic shall designate the officer or agent who shall be authorized to cast its vote. Before voting such officer or agent shall present evidence of his authority to cast the vote of such corporation, firm, or body politic.

Notwithstanding anything to the contrary contained herein, the following shall apply:

- a) At all meetings of members, a member may vote only by mail ballot unless the Board determines by resolution to allow voting in person and by mail ballot, or voting in person only, voting by electronic ballot only, or voting by electronic ballot in addition to either in person or mail ballot. If the Board so determines, notice of the Board's determination shall be included in the notice of the meeting. Voting by proxy shall not be allowed. Each member shall be entitled to only one vote on each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon, except as otherwise provided by law, the Articles, or these Bylaws.
- b) In connection with any matter of business of the Cooperative, including the election of directors, submitted to a vote at a meeting of the members where the members are required or allowed to vote by mail ballot, the Board shall cause written or printed mail ballots to be prepared and mailed to the members for their action. Ballots so mailed shall specify the member meeting to which they correspond, list each issue or question submitted and, if directors are to be elected, list the names of person(s) nominated for directors, and each mail ballot shall contain and provide a place where the member may indicate such member's vote. Each member shall be instructed that such member's mail ballot must be received by 5:00 p.m. at the Cooperative's principal office or such other location as determined by the Board at least two (2) days before the date of the meeting. If members are allowed to vote in person at the member meeting specified in such ballot, then members submitting a completed mail ballot may not vote in person at such meeting regarding any matter described in such ballot. Each mail ballot must be properly authenticated and/or validated.
- c) In connection with any matter of business of the Cooperative, including the election of directors, submitted to a vote at a meeting of the members where the members are required or allowed to vote by electronic ballot, the Board shall cause instructions to be prepared and provided to the Members on how to access and submit an electronic ballot. Electronic ballots shall specify the member meeting to which they correspond, list each issue or question submitted and, if directors are to be elected, list the names of person(s) nominated for directors, and each electronic ballot shall contain and provide a place where the member may indicate such member's vote. Each Member shall be instructed that if voting by electronic ballot, the electronic ballot shall be signed or similarly authenticated by the Member and submitted through the electronic system selected by the Board for the submission of electronic ballots and be received by 5:00 p.m. at least two (2) days before the date of the meeting.
- d) The Board shall cause to be selected an independent election service provider ("Election Service Provider") for the purpose of providing election services specified in these Bylaws or as otherwise determined by the Board. The Election Service Provider will receive, validate, and count all votes transmitted by mail ballot or, if authorized, by electronic ballot, prior to the meeting of Members. The Election Service Provider (or the Board's

designee) will receive, validate, and count all votes cast in person at a meeting, if voting in person is allowed, after all in person ballots have been cast.

Notwithstanding anything to the contrary contained herein, the following provisions shall apply, to-wit:

- a) In the unforeseen event of a tie, a designated officer of the Nominating Committee shall determine the winner via the flip of a coin.
- b) In the unforeseen event that a candidate should die or become incapacitated after the ballot is printed, the Nominating Committee shall have the discretion to remove his or her name from the ballot and select his or her successor, if any.
- c) In the situation where there are multiple candidates for a given position, the candidate who receives the most votes shall be declared the winner without the need or necessity of a runoff.

**Section 8. Order of Business.** The order of business at the annual meeting of the members, and so far as possible, other meetings of the members, shall be essentially as follows:

- a) Report on the number of members present in person or voting by absentee mail ballot in order to determine the existence of a quorum.
- b) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- d) Presentation and consideration of reports of officers, directors, and committees.
- e) Election of directors.
- f) Unfinished business.
- g) New business.
- h) Adjournment.

Notwithstanding the foregoing, the Board of Directors, or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business.

**Section 9. Electronic Notice, Documents and Actions.** Notwithstanding any provision of these Bylaws to the contrary, with the approval of the Board of Directors, an annual or special meeting of the Members may be conducted with members participating but not physically present but deemed present in person through a means of communication by which all members participating in the meeting may simultaneously hear, reasonably and verifiably identify themselves, and generally simultaneously and instantaneously communicate with each other during the annual or special meeting of Members.

## ARTICLE III DIRECTORS

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of seven (7) directors which shall exercise all of the powers of the Cooperative except such as are by law, or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members. A Director shall be a "natural person" as that term is normally and customarily construed.

**Section 2. Qualifications.** No person shall be eligible to become or remain a director, or hold a position of trust in the Cooperative who:

- a) has not been an individual member of the cooperative for at least 12 months, maintaining a primary residence in the district the director represents, and purchasing electric energy from the cooperative in that district.
- b) is a close relative of a director or employee.
- c) is in any way employed by or financially interested in a competing enterprise or is a close relative of someone employed by or financially interested in a competing enterprise.
- d) is in the business of selling electric energy or supplies to the Cooperative.
- e) is an employee or has been an employee within three years of the last date of employment.
- f) has been convicted of a felony.

- g) is absent from three consecutive Board meetings, regular or special, or is absent from more than one-half of the Board meetings, regular or special, in any six-month period. The Board may, for good cause, excuse any absence and if excused shall not affect the director's eligibility to serve.
- h) is an incumbent of, or candidate for, an elective public office for which a salary is paid.
- i) must be of at least legal age required in Texas to contract and conduct business.
- j) must be a citizen of the United States.
- k) must be a member in Good Standing. Member in Good Standing shall mean a member who has and continues to fulfill the requirement of membership in the cooperative; and who has not had an uncollectable debt with the cooperative within the past five years; and does not have pending litigation against the cooperative, or is a participant thereto, directly, or indirectly.

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

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

**Section 3. Tenure of Office.** The term of office of a Director shall be three (3) years or until the office to which such Director is elected is declared vacant in accordance with the provisions of these Bylaws with respect to the resignation, removal, or disqualification of Directors. As provided for in the Articles of Consolidation, the directors districts shall be staggered and divided into three separate election years that will result in a district coming up for election every third year. These classes shall be identified as follows prior to the 2006 annual meeting of the members by their expiration year, term and grouping.

- Election Year 1 – District 3
- Election Year 2 – Districts 2,6,7
- Election Year 3 – Districts 1,4,5

At the annual meeting for the election of directors in each year, the successors to the directors of the class whose terms of office shall expire at the meeting shall be elected to hold office for a term which shall expire at the third annual meeting of members after the annual meeting at which such directors shall have been elected, so that the term of office of one class of directors shall expire in each year. The directors whose terms expire at an annual meeting shall be elected at such annual meeting. Each director shall hold office for the term of the class specified above at which the director was elected or appointed and until his successor shall have been elected at the next election for such class and shall have qualified, or until his earlier death, resignation, retirement, disqualification, or removal.

The Board of Directors is granted the power to reduce the number of directors by amending these Bylaws. In the event the number of directors is reduced, the Board of Directors shall re-district in accordance with the provisions of these Bylaws to eliminate the vacated district.

**Section 4. Districts.** The territory served or to be served by the Cooperative shall be divided into seven (7) districts. Each district shall be represented by one Board Member. The seven (7) districts shall be as described in Exhibit "A" attached hereto. Not less than sixty (60) days before any meeting of the members at which board members are to be elected, the board shall review the composition of the seven districts and, if it should find inequalities in representation which could be corrected by a revision of the boundary lines of the districts, the board shall so revise the boundary lines of the districts so that each shall contain substantially the same number of members.

**Section 5. Nominations.** It shall be the duty of the Board of Directors to appoint, not less than 60 days nor more than 90 days before the date of a meeting of the members at which directors are to be elected, a Committee on Nominations consisting of not less than five (5) nor more than sixteen (16) members. At least one (1) member of the Committee shall be selected from each district in which a director is to be elected. No employee, agent, officer, member of the Board of Directors or known candidates for the Board of Directors or close relative of employees, agents, officers, members of the Board of Directors or known candidates for the Board of Directors shall be appointed a member of such Committee. The purpose of the committee is to determine that any member who has completed the necessary Nomination Form needed to be considered as a candidate for the board of directors, meets all the qualifications that is stated in Article III, Section 2 of these Bylaws. The Nominating Committee shall determine if a member meets the qualifications for director pursuant to these Bylaws and nominate them to be placed on the ballot for election at the Annual Meeting of the membership. The Committee shall prepare and post at the principal office of the Cooperative at least twenty (20)

days before the meeting, a list of nominations for directors. The Secretary shall mail with the notice of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates. The names of the candidates shall be arranged by districts.

Notice shall be given to each member residing within a district from which a director is to be elected at the forthcoming meeting that a director is to be elected to serve said district at such meeting. Said notice shall advise the members where Nomination Forms containing the necessary requirements are available. Any Nominations Forms must be filed with the Nominating Committee on or before the designated date in the notice.

Nominations for director may not be made from the floor at a meeting of members.

**Section 6. Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of board members by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining board members for the term for which they are appointed and until the successor(s) shall have been elected and shall have been qualified.

**Section 7. Compensation.** The Board of Directors is authorized to set by Board policy the compensation for members of the Board of Directors unless such compensation is superseded by the member or members' vested rights arising out of his/her service on the Board of Directors of Kaufman County Electric Cooperative, Inc. or New Era Electric Cooperative, Inc.

Board members, including those whose vested rights do not include health, hospital or business insurance, shall be entitled to participate for themselves and their dependents in the employees' health, hospital and business insurance programs of Trinity Valley Electric Cooperative, Inc. at their own expense.

**Section 8. Rules, Regulations, Rate Schedules, and Contracts.** The Board of Directors shall have power to make, adopt, amend, abolish, and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other type of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law, the Articles of Incorporation of the Cooperative, or these Bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

**Section 9. Accounting System and Reports.** The Board of Directors shall cause to be established and maintain a complete accounting system of the Cooperative's financial operation and condition in accordance with acceptable business accounting practices and procedures. The Board of Directors shall also, after the close of each calendar year, cause to be made a full, complete, and independent audit of the accounts, books, and financial condition of the Cooperative as of the end of such calendar year. A summary of such audit reports shall be submitted to the members at the following annual meeting. The Board of Directors may authorize special audits, complete or partial, at any time and for any specified period of time.

**Section 10. Removal of Directors.** A Director may be removed for cause at any time by the Members pursuant to the procedures specified in this Section. Any Member may bring charges, specifying the causes for removal against a Director, by filing such charges in writing with the Secretary together with a petition signed by ten (10) percent of all Members requesting the removal of the Director in question ("Removal Petition"). The Removal Petition must be validated and shall contain the specific charges of misconduct. The Removal Petition shall be heard and voted upon at the next Member Meeting. The affirmative vote of ten (10) percent of all Members is required to affect such removal. The Director against whom such charges have been brought shall be informed in writing of the charges at least thirty (30) days prior to the Member Meeting. That Director shall have an opportunity at the Member Meeting to be heard in person or by counsel and to present evidence, and the person or persons bringing the charges against him will have the same opportunity. If the removal of more than one Director is sought, a separate vote shall be taken as to each Director. The term "for cause" as used in this Section is defined as malfeasance in office-- that is, the commission of an act which is knowingly unlawful and which affects, interrupts, or interferes with the performance of official duties, or which constitutes a gross abuse of office amounting to a breach of trust.

**Section 11. "Close Relative" Defined.** As used in these Bylaws, "close relative" means a person who, by blood or in law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal. The term husband and wife shall also mean persons who are living together in a conjugal relationship even though not ceremonially married.

## ARTICLE IV



## MEETINGS OF DIRECTORS

**Section 1. Regular Meetings.** A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board of Directors in advance of the annual meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time, and place in one of the counties in Texas in which the Cooperative serves, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the date, time, and place thereof; provided that if a policy is established by the Board of Directors, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon not less than two (2) days' notice thereof to all directors.

**Section 2. Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the date, time and place for the holding of any special meeting of the Board of Directors called by them, which shall be held in one of the counties in Texas in which the Cooperative serves, unless all directors consent to the meeting be held at some other place in Texas or elsewhere.

**Section 3. Notice.** Notice of the date, time, place, and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at his last known address. If delivered, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

**Section 4. Quorum.** The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of the directors present shall be required for any action to be taken: **PROVIDED**, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present: **AND PROVIDED FURTHER**, that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

**Section 5. 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, except where otherwise required by these Bylaws.

Any action required or permitted to be taken at a meeting of the board may be taken without a meeting if consent in writing, setting forth the action taken, is signed by all the board members and such consent shall have the same force and effect as a unanimous vote at a meeting. Directors may participate in and hold a meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

## ARTICLE V OFFICERS

**Section 1. Number.** The officers of the Cooperative shall be a Chairman, Vice-Chairman, Secretary and Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

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

The Board of Directors shall at the same time elect a representative to serve on the Board of Directors of the Rayburn Country Electric Cooperative, Inc. The representative shall be a director, general manager/CEO, or other officer of the Cooperative.

**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) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors and, unless determined otherwise by the Board of Directors, at all meetings of the members.
- b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed, and
- c) in general, shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

**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/her by the Board of Directors.

**Section 7. Secretary.** The Secretary shall:

- a) cause to be kept the minutes of the members and Board of Directors in one or more books provided for that purpose;
- b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- c) cause the safekeeping of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative 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) cause to be kept a register of the name and United States mail address of each member which shall be furnished to the Cooperative by such members;
- e) have general charge of the books of the Cooperative in which a record of the members is kept;
- f) cause to be kept on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative, together containing all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of such documents and of all amendments thereto to each member; and
- g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board of Directors.

**Section 8. Treasurer.** The Treasurer shall:

- a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- b) cause to be kept receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- c) in general, perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him/her by the Board of Directors.

**Section 9. General Manager; Chief Executive Officer.** The Board of Directors may appoint a General Manager who may be, but who shall not be required to be, a member of the Cooperative. The General Manager shall perform such duties as the Board of Directors may from time to time require him/her and shall have such authority as the Board of Directors may from time-to-time vest in him/her. The Board of Directors may also designate the General Manager as Chief Executive Officer of the Cooperative.

**Section 10. Bonds of Officers.** The Board of Directors may require the Treasurer, or any other officer 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.

**Section 11. Compensation.** The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director, shall be determined as provided elsewhere in these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

**Section 12. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VI INDEMNIFICATION**

**Section 1. Indemnification of Cooperative.** As requested by the Cooperative, a Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any expenses, costs, liabilities, or damages, including reasonable attorneys' fees and legal expenses incurred by the Cooperative, or by any Cooperative director, officer, employee, agent, representative, or contractor, related to any property damage, personal injury, or death directly or indirectly caused by the Member's negligence, gross negligence or willful misconduct, by the unsafe or defective conditions of a location occupied by the Member, or by the Member's failure to comply with the Governing Documents. The "Governing Documents" are the written or electronic membership application (if any) submitted by an applicant or Member and the following documents and actions, all as currently existing or as later adopted or amended: (1) all applicable local, state, and federal constitutions, statutes, ordinances, regulations, holdings, rulings, orders, and similar documents or actions, whether legislative, executive, or judicial ("Applicable Laws"), regarding or affecting the Cooperative's property, property rights, and assets, the Cooperative's operation, the Cooperative's Members and patrons, the provision and use of electric service, Cooperative equipment, and Member equipment connected to Cooperative equipment; (2) the Certificate of Formation; (3) these Bylaws; (4) the Cooperative's service rules and regulations; (5) the Cooperative's rate or price schedules; and (6) all rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Board.

**Section 2. Indemnification of Officers, Directors, and Employees.** Every director, officer and employee of the Cooperative shall be indemnified by the Cooperative against all judgments, penalties, fines, liabilities, amounts paid in settlement and reasonable expenses, including counsel fees actually incurred by or imposed upon him/her in connection with any proceeding to which he/she was or is threatened to be made a party, or which he/she may become involved, by reason, in whole or in part, of being or having been a director, officer or employee of the Cooperative, whether or not he/she is a director, officer or employee, at the time such expenses are incurred, to the maximum extent consistent with the provisions of Article 2.22A of the Texas Non-Profit Corporations Act. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer or employee may be entitled. No director, officer, or employee shall be indemnified here and above for the following acts:

- a) a breach of a director's duties of loyalty to the corporation or its members;
- b) an act of omission not in good faith or that involves intentional misconduct or knowing violation of the law;
- c) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;
- d) an act or omission for which the liability of a director is expressly provided for by statute; or
- e) an act related to an unlawful payment of a dividend.

**Section 3. Power to Purchase Insurance.** The Cooperative 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 Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his status as such, whether or not the Cooperative would have the power to indemnify him/her against such liability under the provision of this Article.

**Section 4. Continuing Offer, Reliance.** The provisions of this Article are for the benefit of, and may be enforced by, each director and officer of the Cooperative as a contract for valuable

consideration and constitute a continuing offer to all present and future directors and officers of the Cooperative. The Cooperative, by the adoption of this Article agrees that each present and future director and officer of the Cooperative has relied upon and will continue to rely upon the provisions of this Article in accepting, serving, or continuing to serve as a director or officer.

**Section 5. Effect of Amendment.** No amendment, modification or repeal of this Article or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future director or officer of the Cooperative to be indemnified by the Cooperative, nor the obligation of the Cooperative to indemnify any such director or officer, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

## ARTICLE VII CONTRACT, CHECKS AND DEPOSITS

**Section 1. Contracts.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Cooperative officer or officers, agent, or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness 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 in such financial institutions or invested in such financial securities as the Board of Directors may select.

## ARTICLE VIII MEMBERSHIPS

**Evidence of Membership.** Membership in the Cooperative shall be evidenced by a signed application for membership and a corresponding active account number. Said signed application for membership shall include and constitute the membership certificate. The membership application shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation and Bylaws.

## ARTICLE IX NON-PROFIT OPERATION

**Section 1. Nonprofit and Cooperative Operation.** The Cooperative (i) shall at all times be operated on a cooperative non-profit basis for the mutual benefit of all Members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Patrons (defined in Section 2(a) below).

**Section 2. Allocating Capital Credits.** The Cooperative shall allocate Capital Credits as provided in this Section. The Cooperative must allocate Capital Credits in a Patron's name as shown in the Cooperative's records, regardless of the Patron's marital status.

- a) **Patron.** The term "Patron" means, during a fiscal year: (1) a Member; and (2) any other Person using a Cooperative Service.
- b) **Entity Patron.** The term "Entity Patron" means any Patron that is a distinct legal entity or non-natural person, such as a corporation, partnership, organization, or association.
- c) **Cooperative Service.** The term "Cooperative Service" means the provision of electric service (electric energy and/or services). Such term shall also include the provision of other utility type goods and services to the extent the provision of such goods and services would qualify an organization for exemption from federal income taxation under

Section 501(c)(12) of the Internal Revenue Code and for which the Cooperative has a legal obligation to provide such goods and services on a patronage basis through the allocation of Capital Credits. Notwithstanding any provision of these Bylaws to the contrary, Cooperative Service does not include any good or service provided by an affiliate of the Cooperative to its customers.

- d) **Allocating Earnings.** For each Cooperative Service provided during a fiscal year, the Cooperative shall equitably allocate to each Patron, in proportion to the Patronage (which is the quantity or value of the Cooperative Service used by the Patron during the fiscal year and timely paid for by the Patron) the Cooperative's Patronage Earnings. "Patronage Earnings" means the amount by which the Cooperative's patronage sourced revenues, income, and gains from and directly related to providing a Cooperative Service exceed the Cooperative's patronage sourced expenses and losses of providing the Cooperative Service, all as determined under federal cooperative tax law. Provided, however, for each Cooperative Service, if costs and expenses exceed the amounts received and receivable from and directly related to providing such Cooperative Service, hereinafter referred to as "Patronage Loss", then the Board of Directors shall have the authority, under accepted accounting practices, loan covenants, and federal cooperative tax law, to prescribe the accounting procedures under which such operating loss may be addressed. For each fiscal year, the Cooperative may, as determined by the Board, use, retain, or equitably allocate the Cooperative's Nonpatronage Earnings. "Nonpatronage Earnings" means revenue, income and gains in excess of expenses and losses from the provision of a good or service not provided to the Patrons on a patronage basis, including earnings or losses from a subsidiary corporation. Such Nonpatronage Earnings may be used to offset an operating loss as determined by the Board.
- e) **Capital Credits.** For each Patronage Earnings amount allocated to a Patron, the Patron shall be deemed to have contributed such amount to the Cooperative as capital. The Cooperative must credit all capital contributions from a Patron to a capital account for the Patron. The Cooperative shall maintain books and records reflecting the capital contributed by each Patron. At the time of receipt by the Cooperative, each capital contribution is treated as though the Cooperative paid the Patronage Earnings amount allocated to the Patron in cash and the Patron contributed the corresponding amount to the Cooperative as capital. The term "Capital Credits" means the amounts allocated to a Patron and contributed by the Patron to the Cooperative as capital.
- f) **Method of Allocation.** Notwithstanding other provisions of this Bylaw, the Board, acting through policy, has the authority to (1) determine the process for annually calculating the amount of Patronage Earnings and Patronage Losses, and (2) determine the kind, timing, method and type of allocation; provided however, that such methods are fair and equitable on the basis of Patronage. Such policies apply separately to each Cooperative Service and includes, but is not limited to, the authority to determine the items of revenue included in the definition of Patronage. As reasonable and fair, the Cooperative may allocate Patronage Earnings to different classes of similarly situated Patrons under different manners, methods, and timing, provided the Cooperative allocates Patronage Earnings to similarly situated Patrons under the same manner, method, and timing. If the Cooperative is a member, patron, or owner of an entity from which the Cooperative uses a good or service in providing a Cooperative Service and from which the Cooperative is allocated Patronage Earnings or similar amount, then, as determined by the Board and consistent with this Bylaw, the Cooperative may separately identify and allocate to the Cooperative's Patrons this capital credit or similar amount allocated by the entity.
- g) **Notification of Allocation.** Upon request, the Cooperative shall inform an individual Patron of the specific amount of capital credited to the Patron's capital account.
- h) **Joint Memberships.** Upon the death of a joint Member, the Cooperative shall assign and transfer to the surviving joint Member an equal portion of Capital Credits allocated, or to be allocated, to the surviving Member; or upon the death of both Members of a joint membership, the membership will terminate and the balance in the capital account will be subject to the Special Retirement provisions of Article IX [Non-Profit Operation], Section 4(b) of these Bylaws.

**Section 3. Assignment of Capital Credits.** Subject to the right of offset for any amounts owed the Cooperative, Capital Credits of a Patron or former Patron shall be assignable only on the books and records of the Cooperative. Except as otherwise provided by the Board or these Bylaws, in order for a Patron to assign or transfer a Patron's Capital Credits: (1) the Cooperative must receive a written or electronic request signed by the Patron to assign or transfer the Capital Credits; (2) the Patron and the assignee or transferee must comply with all reasonable requirements specified by the Cooperative; and (3) the Board shall have the right to approve or deny the assignment or transfer in its sole discretion.

**Section 4. Retiring Capital Credits.** The Cooperative may retire and pay Capital Credits allocated to Patrons and former Patrons as provided in these Bylaws. If the Cooperative retires and pays Capital Credits, then the Cooperative must retire and pay Capital Credits in a Patron's name as shown in the Cooperative's records, regardless of the Patron's marital status. If the Cooperative mails a retired Capital Credit payment, then the Cooperative shall mail the payment to the Patron or former Patron's address as shown in the Cooperative's records. The Patron's capital account shall reflect and be reduced by the amount of such retirement.

- a) **General Capital Credit Retirements.** At any time before the Cooperative's dissolution, liquidation, or other cessation of existence, the Cooperative may generally retire and pay some or all Capital Credits allocated to Patrons and former Patrons.
- b) **Special Capital Credit Retirements.** Notwithstanding any other provisions of these bylaws, the Board of Directors, in its sole discretion, shall have the power to specially retire and pay some or all Capital Credits allocated to an individual Patron or former Patron in accordance with Section 4(d) of this Article IX: (1) at any time after the death of any Patron, that is a natural person, (2) after receiving a written or electronic request from the deceased individual's heir or the authorized legal representative, and (3) according to the terms and conditions established by the Cooperative. The Cooperative may not specially retire and pay Capital Credits allocated to an Entity Patron or former Entity Patron (A) during or after the entity's dissolution, liquidation, or other cessation of existence or (B) during or after the or after the entity's reorganization, transfer, merger, or consolidation.
- c) **Capital Credit Recoupment and Offset.** The Cooperative may recoup, offset, or setoff an amount owed to the Cooperative by the Patron or former Patron, including any compounded interest and late payment fee, by reducing the amount of retired Capital Credits paid to the Patron or former Patron by the amount owed to the Cooperative.
- d) **Capital Credit Retirement Discretion.** The Cooperative may retire and pay Capital Credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this Bylaw, the retirement and payment of Capital Credits are in the sole discretion of the Board and are not affected by previous retirements and payments. The manner, method, order and timing of retiring and paying Capital Credits may be determined only by the Board. Pursuant to such discretion, the Board shall also have the power, exercisable in its sole discretion, to retire all or a portion of Capital Credits of Patrons prior to the time such capital would otherwise be retired under the provisions of these Bylaws or the policies of the Board, but only if the financial condition of the Cooperative will not be impaired. The payment portion of such early retirement may be on a discounted and net present value basis in order to reflect the time value of money. Such policies shall establish the criteria used in determining the discounted and net present value of early retirements. The discount, which is the difference between the total of Capital Credits retired and the cash payment of such early retirement, shall be deemed a contribution of capital to and part of the net savings of the Cooperative.
- e) **Different and Separate Capital Credit Retirements.** As reasonable and fair, the Cooperative may retire and pay Capital Credits to separately established classes of similarly situated Patrons and former Patrons under different manners, methods, and timing, provided the Cooperative retires and pays Capital Credits to such separately established similarly situated Patrons and former Patrons under the same manner,

method, and timing. If the Cooperative separately identified and allocated Capital Credits representing capital credits or similar amounts allocated to the Cooperative by an entity in which the Cooperative is or was a member, patron, or owner, then the Cooperative may retire and pay these Capital Credits only after the entity retires and pays the capital credits or similar amounts to the Cooperative.

- f) **Unclaimed Retired Capital Credits.** The Cooperative may receive returned retired Capital Credits that Members have failed to claim or may receive notifications as a result of Members' failure to cash retired Capital Credits. In each instance, the Cooperative will void any unclaimed or uncashed retired Capital Credits within one hundred eighty (180) days of issuance. The Cooperative may post on its website the names of Members with retired Capital Credits that have been unclaimed or uncashed. When retired Capital Credits remain unclaimed after three years, those amounts may be delivered in accordance with Section 74.3013 of the Texas Property Code. Otherwise, the Cooperative will notify the Member regarding any unclaimed retired Capital Credits in accordance with the current State of Texas unclaimed property laws and, following such notice to those Members, such retired Capital Credits will be reported and remitted to the State Comptroller's Office as required by the law.

### **Section 5. Patron Agreement.**

- a) The Patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each Patron, and both the Cooperative and the Patrons are bound by such contract, as fully as though each Patron had individually signed a separate instrument containing such terms and provisions.
- b) Each Patron and former Patron agrees that:
- (1) Capital Credits are not securities under state or federal law;
  - (2) The Patron's right to Capital Credits becomes payable only upon the Cooperative retiring the Capital Credits as provided in these Bylaws, and not upon the Cooperative allocating the Capital Credits; and
  - (3) As required by law, each Patron will: (A) report to the appropriate entity all allocated or retired Capital Credits; and (B) pay the appropriate entity any tax or similar amount on allocated or retired Capital Credits. To the extent that the Cooperative is required to make any tax withholding amounts from the retirement or payment of such Capital Credits, the Patron acknowledges and agrees to such withholding.

**Section 6. Non-Member Patrons and Non-Patrons.** As a condition of using a Cooperative Service, and except as otherwise provided by the Board:

- a) To the same extent as a Member, a Patron who is not a Member ("Non-Member Patron") and a Person Using a Cooperative Service who is not a Member or Patron ("Non-Patron") must abide by and be bound to the duties, obligations, liabilities, and responsibilities imposed by the Governing Documents upon Members;
- b) A Non-Member Patron or Non-Member former Patron has none of the rights granted by the Governing Documents to Members, other than the rights to: (A) be allocated Capital Credits; and (B) be paid retired Capital Credits; and
- c) A non-Patron or former non-Patron has none of the rights granted by the Governing Documents to Members.

## **ARTICLE X WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws.

## **ARTICLE XI DISPOSITION OF PROPERTY**

**Section 1.** Except as provided in Section 2 and Section 3 of this Article XI, the Board of Directors may not sell, lease, lease-sale, exchange, transfer or otherwise dispose of all or substantially all of the Corporation's property nor may the Board authorize any such transaction unless such sale, lease, lease-sale, exchange, transfer or other disposition is first authorized at a meeting of the members thereof by affirmative vote of more than fifty percent (50%) of all of the members of the Corporation. Members may vote in person or by absentee mail ballot. The notice of such proposed sale, lease, lease-sale, exchange, transfer or other disposition shall be contained in the notice of the meeting.

**Section 2.** The Board of Directors, without authorization by the members thereof, shall have full power and authority to borrow monies from any source and to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any and all the Corporation's property and assets, whether acquired or to be acquired, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine to secure any indebtedness of the Corporation.

**Section 3.** 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, consistent with the provision outlined in Section 7 of Article II, sell, lease, exchange, or otherwise dispose of all or substantially all of the Corporation's property to another Corporation doing business in this State pursuant to the Act under which this Corporation is incorporated.

## **ARTICLE XII FISCAL YEAR**

The fiscal year of the Cooperative, for audit purposes, is the calendar year and shall begin on the 1st day of January of each year, and the end of the 31st day of December of the same year. The Board of Directors may change the fiscal year at any time such change appears advisable.

## **ARTICLE XIII SEAL**

The Corporate Seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Texas."

## **ARTICLE XIV RULES OF ORDER**

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members of the Board of Directors, which may from time to time be duly established will use the most recent edition of Robert's Rules of Order as a guideline, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

## **ARTICLE XV POWER TO AMEND BYLAWS**



These Bylaws may be altered, amended, or repealed by not less than the affirmative vote of two-thirds (2/3) of all of the Board of Directors at any regular or special meeting.

## **ARTICLE XVI ACCESS TO COOPERATIVE BOOKS AND RECORDS**

### **Section 1. Request to Inspect Books and Records.**

A Member may request to examine the Cooperative's Books and Records by making a request in writing on such form as the Cooperative has promulgated for that purpose specifying the particular Books and Records desired to be examined and providing all of the information required. Within 10 business days, the Cooperative shall respond to the request.

### **Section 2. Inspection Only for A Proper Purpose.**

The inspection and copying of Books and Records must be for a Proper Purpose. Any request that does not adequately specify a Proper Purpose may be denied or returned to the requesting Member with comments or instructions or granted only in part. The Cooperative shall have the right to deny any request based on evidence that such request is not for a Proper Purpose, as may be determined in the Cooperative's reasonable discretion.

### **Section 3. Right to Inspect.**

Upon proper request, and subject to the provisions of subsections 7 and 8 herein, the Cooperative will allow the requesting member to inspect the requested Books and Records by viewing them at the Cooperative's headquarters or other location where the Books and Records may be kept.

### **Section 4. Copying of Books and Records.**

A Member who has inspected Books and Records may request that the Cooperative copy all or any portion of the Books and Records that the requesting Member has inspected. Subject to the provisions of subsections 7 and 8 herein, the Cooperative will make a copy of such Books and Records for Member within a reasonable time at the Member's sole cost and expense. All copies shall be provided on the condition that the requesting Member use the Books and Records only for a Proper Purpose.

### **Section 5. Definitions.**

In this Article, the following terms shall have the following meanings:

- a) "Books and Records" means:
  - 1. Articles of Incorporation or Certificates of Formation and all amendments and restatements thereof;
  - 2. Bylaws and all amendments and restatements thereof;
  - 3. Resolutions adopted by the Cooperative board relating to the characteristics, qualifications, limitations, obligations, rights, or classifications of Members;
  - 4. Minutes of all meetings of Members and records of all actions approved by the Members in the past three (3) years;
  - 5. Written communications to Members as a whole within the past three (3) years, including financial statements furnished on request in the past three (3) years;
  - 6. Names and business or home addresses of current directors and officers;
  - 7. Accounting records directly related to the Proper Purpose articulated by the Member;
  - 8. The most recent annual report delivered to the Secretary of State; and
  - 9. Membership lists, subject to the provisions of Section 7 herein;
  - 10. Minutes of Board Meetings, subject to the provisions of Section 8 herein.
- b) "Proper Purpose" means:
  - 1. reasonably related and germane to a person's interest as a Member;
  - 2. proper, lawful and in good faith;
  - 3. not adverse, detrimental, or hostile to the Cooperative;
  - 4. not to be used to gratify curiosity or to engage in speculation;
  - 5. not to be used to harass, embarrass, or annoy the Cooperative;
  - 6. not to be used to aid a competitor; and
  - 7. not to be used for any commercial purpose.

### **Section 6. Inspection by Members Only.**

Notwithstanding any provision herein to the contrary, the Cooperative shall not be required to make its Books and Records available to members of the general public who are not Members of the Cooperative.

**Section 7. Membership Lists.**

The membership list may be inspected by a requesting Member only for the purpose of communicating with other Members for a Proper Purpose. If, the Cooperative determines that the requesting Member's inspection of the Membership List is for a Proper Purpose, the Cooperative shall have the option of either (1) providing the membership list to the requesting Member on the condition that it may be used only for a Proper Purpose or (2) offering to disseminate the requesting Member's communications for a Proper Purpose to the Members of the Cooperative. If this offer is accepted by the requesting Member, the Cooperative shall disseminate the requesting Member's communications for a Proper Purpose to the Members of the Cooperative on behalf of the requesting Member, and at the requesting Member's sole cost and expense.

**Section 8. Board Minutes.**

In addition to the requirements of Sections 1 and 2 in this Article, Member's request shall:

- a) describe with reasonable particularity the purpose and the excerpts the Member wants to inspect; and
- b) seek only excerpts that are directly connected to the Member's purpose.

**Section 9. Exceptions to Disclosure.**

Notwithstanding any other provisions in this Article, the Cooperative shall have the right to redact or otherwise deny access to certain information, including but not limited to the following:

- a) information made confidential by law;
- b) social security numbers;
- c) information in a personnel file, the disclosure of which would constitute an invasion of personal privacy;
- d) information relating to civil or criminal litigation to which the state or a political subdivision is or may be a party as a consequence of their position;
- e) information relating to pending or threatened litigation involving a governmental body or an officer or employee;
- f) information that, if released, would give an advantage to a competitor or bidder;
- g) the location of real or personal property for utility purposes before the project is publicly announced and the appraisals or purchase prices of real or personal property for a public purpose before contracts for the property are formally awarded;
- h) trade secrets obtained from a person and privileged or confidential by statute or judicial decision, and commercial or financial information, the disclosure of which would cause substantial competitive harm;
- i) competitive matters, including but not limited to commercial information, which would, if disclosed, give an advantage to competitors or prospective competitors;
- j) credit card, debit card, charge card and access device numbers; and
- k) email addresses.

These Bylaws were duly adopted at a meeting of the Board of Directors on February 27, 2024.

Trinity Valley Electric Cooperative, Inc.

By: Howard D. Tillison  
Howard Tillison, Chairman

Attest:

By: Jo Ann Hanstrom  
Jo Ann Hanstrom, Secretary

**EXHIBIT "A"**  
**Trinity Valley Electric Cooperative, Inc.**

<b>District</b>	<b>Director</b>	<b>Map Number</b>
<b>1</b>	<b>Minor</b>	<b>3211A</b>
		<b>3211C</b>
		<b>3211B</b>
		<b>3211D</b>
		<b>3212A</b>
		<b>3212C</b>
		<b>3212B</b>
		<b>3212D</b>
		<b>3217A</b>
		<b>3216A</b>
		<b>3216B</b>
		<b>3215A</b>
		<b>3215C</b>
		<b>3215B</b>
		<b>3215D</b>
		<b>3221A</b>
		<b>3221C</b>
<b>3221B</b>		
<b>3221D</b>		
<b>District</b>	<b>Director</b>	<b>Map Number</b>
<b>2</b>	<b>Priest</b>	<b>3217C</b>
		<b>3216C</b>
		<b>3216D</b>
		<b>3223A</b>
		<b>3223C</b>
		<b>3223D</b>
		<b>3224C</b>
<b>3224D</b>		

<b>District</b>	<b>Director</b>	<b>Map Number</b>
3	Weatherford	3320A
		3320B
		3325B
		3325D
		3319A
		3319C
		3319B
		3319D
		3307A
		3307C
		3307B
		3307D
		3308A
		3308C
		3308B
		3308D
		3217B
		3217D
		3218A
		3218C
		3218B
		3218D
		3313A
		3313C
		3313B
		3313D
		3314A
		3314C
		3314B
		3314D
		3223B
		3224A

<b>District</b>	<b>Director</b>	<b>Map Number</b>
<b>4</b>	<b>Hanstrom</b>	<b>3224B</b>
		<b>3228B</b>
		<b>3228D</b>
		<b>3229A</b>
		<b>3229C</b>
		<b>3229D</b>
		<b>3234A</b>
		<b>3234C</b>
		<b>3234B</b>
		<b>3234D</b>
		<b>3235A</b>
		<b>3235C</b>
		<b>3235B</b>
		<b>3235D</b>
		<b>3222A</b>
		<b>3222C</b>
		<b>3222B</b>
		<b>3222D</b>
		<b>3228A</b>
		<b>3228C</b>

<b>District</b>	<b>Director</b>	<b>Map Number</b>
<b>5</b>	<b>Reeve</b>	<b>3242A</b>
		<b>3242C</b>
		<b>3242B</b>
		<b>3242D</b>
		<b>3236A</b>
		<b>3236C</b>
		<b>3236B</b>
		<b>3236D</b>
		<b>3331A</b>
		<b>3331C</b>
		<b>3325A</b>
		<b>3325C</b>
		<b>3229B</b>
		<b>3230A</b>
		<b>3230C</b>

3230B  
3230D

<b>District</b>	<b>Director</b>	<b>Map Number</b>
6	Tillison	3346B
		3337A
		3337C
		3337B
		3338A
		3338B
		3339A
		3339B
		3340A
		3340C
		3340B
		3340D
		3334A
		3334C
		3334B
		3334D
		3333A
		3333C
		3333B
		3333D
		3332A
		3332C
		3332B
		3332D
		3327A
		3327C
		3327B
		3327D
		3331B
		3331D
		3320C
		3320D
		3326A
		3326C

3326B  
3326D

<b>District</b>	<b>Director</b>	<b>Map Number</b>
7	Endres	4614A
		4614C
		4614B
		4614D
		4615A
		4615C
		4615B
		4615D
		4608A
		4608C
		4608B
		4608D
		4609A
		4609C
		4609B
		4609D
		4607A
		4607C
		4607B
		4607D
		4610A
		4610C
		4610B
		4610D
		4602A
		4602C
		4602B
		4602D
		4603A
		4603C
		4603B
		4603D
		4604A
		4604C
		4604B

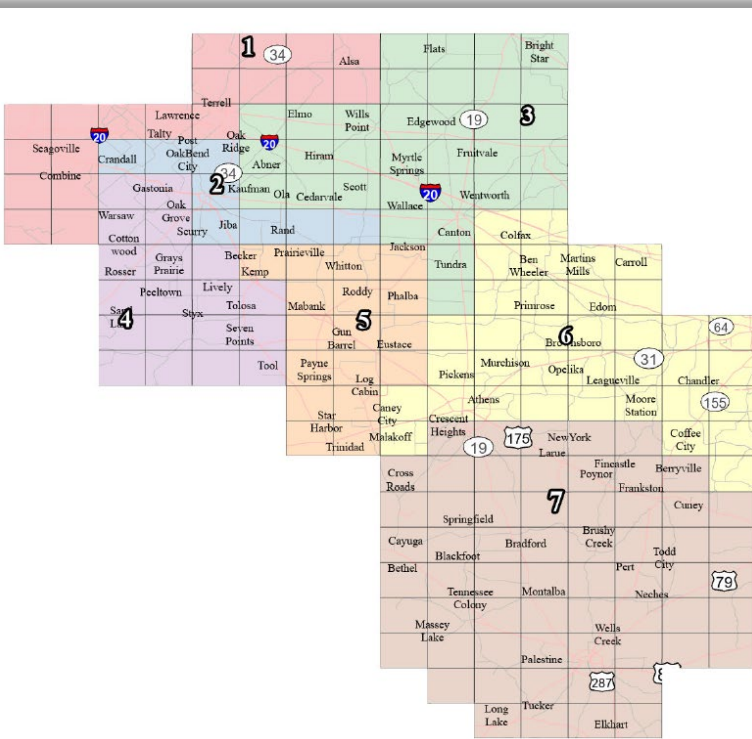


**4604D**  
**4601A**  
**4601C**  
**4601B**  
**4601D**  
**3343A**  
**3343C**  
**3343B**  
**3343D**  
**3344A**  
**3344C**  
**3344B**  
**3344D**  
**3345A**  
**3345C**  
**3345B**  
**3345D**  
**3346A**  
**3346C**  
**3346D**  
**3337D**  
**3338C**  
**3338D**  
**3339C**  
**3339D**  
**4613A**  
**4613C**  
**4613B**  
**4613D**  
**4621A**

# TVEC

TRINITY VALLEY ELECTRIC COOPERATIVE

## Board District Map



Board Director Member Count

