



ARTICLES
of
INCORPORATION
and
BYLAWS

**March 3, 2001-Articles of Incorporation
June 6, 2026, Bylaws**

ARTICLES OF INCORPORATION

The following are the Articles of Incorporation of Enerstar Power Corp amended at the Annual Meeting of Members on March 3, 2001, and thereafter its Bylaws as amended at the Annual Meeting of Members on June 6, 2026

ARTICLE FIRST: The name of the corporation is ENERSTAR POWER CORP.

ARTICLE SECOND: The following amendment was adopted in the manner prescribed by the aforesaid Statutes of the State of Illinois:

BE IT RESOLVED by the members of Edgar Electric Co-operative Association that the Articles of Incorporation be amended in the following manner:

1. The object for which it is formed are:

(a) To acquire, manufacture, generate, purchase, accumulate, sell and administer, on a cooperative or patronage-based method of operation primarily for the benefit of its members, goods, services or facilities, including, without limitation, electrical energy, electric distribution services, electrical generation equipment, electricity scheduling and dispatching services, natural gas, propane, LP gas, telephone services, radio communication services, radio paging services and internet services, and to construct, erect, purchase, lease and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease, exchange and mortgage real estate, personal property and intangible property, including, without limitation, plants, buildings, works, machinery, towers, tanks, equipment, and supplies, together with all transmission and distribution systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purposes.

(b) To acquire, own, hold, exercise and, to the extent permitted by law, to mortgage, pledge, hypothecate and in any manner dispose of permits, rights, privileges, licenses and easements necessary, useful or convenient for carrying out and accomplishing any of the purposes of said corporation.

(c) To purchase, lease, and in any manner acquire, own, hold, maintain, sell, lease, exchange, mortgage, pledge and in any manner dispose of any and all real and personal property which may be necessary, useful or convenient to carry out and accomplish any of the purposes of said corporation.

(d) To assist its members to wire the premises and install therein electrical, television, telecommunications, heating and plumbing appliances, alternative fuels, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting, the generality of the foregoing such other things as the Board might believe to be in the best interest of the membership), and in connection therewith and for such purposes, to purchase,

acquire, lease, sell, distribute, install and repair electrical, telecommunications and television systems, heating and plumbing appliances, alternative fuel systems, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character, to make loans to members for such purposes, and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer, or otherwise dispose of notes and other evidences of indebtedness and all security therefor.

(e) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of said corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of said corporation, wheresoever situated, acquired or to be acquired.

(f) To make advances and the extension of credit to or for account of members and take any form of obligation or security therefor, to acquire, hold, transfer or pledge any note or other obligation, and to make any contract, endorsements or guaranty deemed desirable incident to the transfer or pledge of any such obligation, note or security.

(g) To do all such things and to have and to exercise any and all powers as may be useful, necessary or convenient for the accomplishment of any and all the foregoing, provided, however, that such corporation shall not be operated for pecuniary profit to said corporation or to its members.

2. The management of the aforesaid Edgar Electric Co-operative Association shall be vested in a Board of nine Directors.

ARTICLE THIRD: That the foregoing resolution was adopted in accordance with Section 110.20 of the Illinois General Not-For-Profit Corporation Act (805 ILCS 105/110.20) by the vote of the members present at the regular Annual Meeting of Members of Edgar Electric Co-operative Association held on Saturday, March 3, 2001; that prior to said meeting the Board of Directors of Edgar Electric Co-operative Association, at a regular Board meeting held on December 27, 2000, had directed the submission of the resolution to the members at the regular Annual Meeting, and that all requirements of the law have been met regarding said amendment.

ARTICLE FOURTH: That in all other respects, the Articles of Incorporation as amended herein, are adopted hereby and restated by reference.

IN WITNESS WHEREOF, the undersigned corporation has caused these Articles of Amendment to be executed in its name by its Chairman and its corporate seal to be affixed hereto, and attested by its Secretary this 3rd day of March, 2001.

David Hollis, Chairman

Attested by John Fell, Secretary-Treasurer

BYLAWS OF ENERSTAR POWER CORP

As Executed at the Annual Meeting of Members on June 6, 2026

ARTICLE I

Membership

Section 1. Qualifications and Obligations. Any person, firm, association, corporation, or body politic or subdivision thereof, will become a member of EnerStar Power Corp. (hereinafter called the “Cooperative”) upon receipt of services from the Cooperative, provided that the same has first:

- (a) Made an application for membership in the form or manner required under the policies of the Cooperative;
- (b) Agreed to purchase from the Cooperative electric energy services; and
- (c) Agreed to comply with and be bound by the Cooperative’s Articles of Incorporation, the Bylaws of the Cooperative, and any Policies adopted by the Board of Directors, as said Articles, Bylaws, and Policies may from time to time be amended by the membership or the Board of Directors.

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

Section 2. Membership Records and Certificates. The Cooperative shall maintain a record of the names of the members of the Cooperative. No membership certificate shall be issued to any Member.

Section 3. Shared Membership. Up to four individuals may apply for a shared membership and, upon their compliance with the requirements set forth in Section 1 of this Article, will become a member. The term “member” as used in these Bylaws shall be deemed to include individuals holding a shared membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a shared membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a shared membership shall be as follows:

- (a) The presence at a meeting of one or more holders of a shared membership shall be regarded as the presence of one member and shall constitute a waiver of notice of the meeting;
- (b) The vote of one or more holders of a shared membership shall constitute one vote;
- (c) A waiver of notice signed by a holder of a shared membership shall constitute a waiver of notice on behalf of all holders of that shared membership;
- (d) Notice to any holder of a shared membership shall constitute notice to all holders of

that shared membership;

(e) Expulsion of any holder of a shared membership shall terminate that shared membership;

(f) Withdrawal of any holder of a shared membership shall terminate that shared membership;

(g) Any holder of a shared membership may be elected or appointed as an officer or Board Member, provided that individual meets the qualifications of such office, in which event all other individuals holding that shared membership shall be ineligible to be elected or appointed as an officer or Board Member.

Section 4. Conversion of Shared Membership. Memberships may be converted as follows:

(a) A membership may be converted to a shared membership upon the written request of the holder thereof and the agreement by such holder and any other individuals not exceeding a total of four, provided that the resulting membership otherwise complies with the Articles of Incorporation, Bylaws, and Policies of the Cooperative as adopted by the members or the Board of Directors, as said Articles, Bylaws, or Policies may be amended from time to time.

(b) Upon the death of any person who is a party to a shared membership, such membership shall be held solely by the survivors.

Section 5. Purchase of Energy or Other Services. Each member shall, as soon as electric service is available, purchase from the Cooperative all electric energy used on the premises specified in the application for membership. If a member has more than one service, it may be separately metered and/or billed to the member receiving such services. The member shall pay the rates for energy or other services, which shall from time to time be fixed by the Board, including, but not limited to, assessment for the costs necessary for facilities, transmission, distribution, and other costs associated with the delivery of electric energy and services to the members. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be inter-connected with the Cooperative facilities, shall be subject to and in accordance with the Policies of the Cooperative. If a member receives electric services, the member's payment shall include, for each member, a subscription to such publications as the Board may approve from time to time. It is expressly understood that amounts paid for energy or other services sold or offered for sale on a Cooperative basis in excess of the cost of services, are furnished by members as capital, and each member shall be credited with the capital so furnished, as provided in the Bylaws. Each member who receives energy shall pay to the Cooperative such minimum amount, regardless of the amount of energy purchased for use, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

Section 6. Classes of Membership. All members of the Cooperative shall be classified as either active or inactive members, as follows:

(a) Active Members. All members currently using electric service from the

Cooperative, delivered to the respective members through one or more service connections, shall be classed the active members of the Cooperative and, as such, shall have the right to vote upon any proposition submitted to the membership of the Cooperative and shall be eligible to hold any elective office in the Cooperative, provided that the member meets all other qualifications.

(b) **Inactive Members.** Those persons, having otherwise qualified for membership in the Cooperative but who are not currently using electric service from the Cooperative shall be classed inactive members of the Cooperative and, as such, shall not be eligible to vote upon any proposition submitted to the membership of the Cooperative or to hold any elective office in the Cooperative.

Classifications of membership from inactive to active or vice versa, shall change at once without notice to said member upon commencing to use or ceasing to use electric service from the Cooperative or disconnection by the Cooperative of the member's electric service.

A change of classification shall not affect in any way the obligation for debts the member may have incurred with the Cooperative nor the capital credits accrued by the member.

Section 7. Termination of Membership. Membership may be terminated as follows:

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or Policies adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion, and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by a majority vote of the Board or by a majority vote of the members at an annual or special meeting. The membership of any member who has ceased to purchase electric energy or other service from the Cooperative shall terminate upon the cessation of electric service to the premises noted upon said member's membership application.

(b) Under the terms provided for under Article VIII, Section 2, concerning patronage capital, upon the withdrawal, death, cessation of service or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or the estate of such member from any debts due to the Cooperative.

(c) When a shared membership is held by spouses, dissolution or legal separation shall act to terminate such membership. Written notification by a spouse, publication, or the legal notification of the dissolution or separation shall be deemed sufficient authority for the Board of the Cooperative to terminate such membership upon the records of the Cooperative. Any party to that shared membership may transfer to any other party to that shared membership his or her interest therein. Such termination of transfer shall not release any party thereto from any membership debts or liabilities to the Cooperative that may have been incurred prior to such termination or transfer.

ARTICLE II

Rights and Obligations of Members

Section 1. Property Interest of Members. Upon dissolution, after

(a) All debts and liabilities of the Cooperative shall have been paid, and

(b) All capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the twenty (20) years next preceding the date of the filing of the certificate of dissolution.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

Section 3. Liens and Rights of Set-Off. The Cooperative shall have a lien on and the right to set off all capital credits allocated or accrued to the account of any member for any debt or sum of money due the Cooperative from that member of whatever kind, including but not limited to, charges for energy services including, without limitation, late payment fees and costs of collection such as attorney's fees, court costs and witness fees. The amount of set-off shall be based on the period of revolvment of capital credits being maintained by the Cooperative at the time of the set-off, or if no schedule for revolvment has been adopted by the Cooperative on the basis of a 25-year revolvment of capital credits. The discount rate to be used in making the computation of the value of the capital credits shall be equal to the weighted cost of capital of the Cooperative then available, as determined by the Board of Directors from time to time.

Section 4. Dispute Resolution Any dispute, claim, or controversy between the Cooperative and any active member, or group of active members, that arises out of or relates to the provision by the Cooperative to the member of electric power or other services, the maintenance of Cooperative property, or the relationship between the member or group of members and the Cooperative, shall first be addressed by the Cooperative and the member through informal and good-faith efforts. Any dispute, claim, or controversy that is not resolved through informal, good-faith efforts, with the exception of bill collections and eminent domain matters, shall be submitted to non-binding mediation, conducted in accordance with the Cooperative's Member Policies, by an impartial mediator, agreed to by the parties involved. In the event the dispute, claim, or controversy is not resolved at mediation, then such shall be submitted to binding arbitration to be conducted by an arbitrator in accordance with the Uniform Arbitration Act (710 ILCS 5/1, et seq.) and as otherwise specified by the Cooperative Member Policies. By becoming a member of the Cooperative, the member agrees to this dispute resolution provision and the related policies prescribed by the Board of Directors pursuant to this Bylaw, and further

agrees that no member or inactive member shall participate in any class action or putative class action against the Cooperative, either as a class representative or as a member of the class.

ARTICLE III

Meeting of Members

Section 1. Annual Meeting. The annual meeting of members shall be held at such a time in each year and at such place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of passing upon reports for the previous fiscal year and transacting such other business as may properly come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board or upon a written request signed by any three (3) Board members or by 10 per centum (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one (1) of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of special meetings.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting or an annual meeting of the membership at which business requiring special notice is to be transacted, the purposes for which the meeting is called, shall be delivered not less than five (5) days nor more than sixty (60) days before the date of the meeting, either personally, by mail, or, if permitted by the Board of Directors, by electronic mail to the electronic mail address of members by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member; unless the purpose of the meeting is the removal of one or more Directors, a merger, consolidation, dissolution or sale, lease or exchange of assets in which case the notice must be given not less than twenty (20) or more than sixty (60) days before the date of the meeting. If mailed or sent by electronic mail, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid or when sent to the electronic mail address of the member, as it appears on the records of the Cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Attendance at the membership meeting shall constitute waiver of notice of such membership meeting except where the member attends for the sole purpose of objecting to the transaction of business because the meeting was not lawfully convened.

Section 4. Quorum. One hundred of the members shall constitute a quorum for the transaction of business at all meetings of the members provided that said members are present in person or, where permitted by the Board of Directors, present by such electronic means necessary to allow the member's participation in the meeting. If less than a quorum is present at any meeting, a majority of those members present may adjourn the meeting from time to time without further notice.

Section 5. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be set by the Board of Directors and set out in any required notice of such meeting. Upon the Board of Directors' failure to set the agenda, it shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Report on the number of members present in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Election of Board members.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

Directors

Section 1. General Powers. The business and affairs of the Cooperative shall be conducted by a Board of Directors that shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the members.

Section 2. The Board of Directors. The Board of Directors shall consist of nine (9) natural persons, who are members of the Cooperative; meet the qualifications hereinafter set out; and are EnerStar electric service consumers. The Board shall, from time to time hereafter, and as reasonably necessary to ensure that members are equitably and fairly represented on the Board,

revisit the questions of Voting Districts and Representative Districts.

Section 3. Director Districts. The Board shall establish three (3) Voting Districts, with each Voting District made up of three (3) Representative Districts. The three (3) Voting Districts shall consist of fairly equal numbers of Cooperative members who are EnerStar electric service consumers. There shall be only one Director elected from each Representative District, with one Representative District in each Voting District elected annually.

Section 4. Election and Tenure of Office.

(a) The current persons serving as members of the Board of Directors shall continue to hold office until their successor shall have been elected and qualified. Any Director who stands for re-election after the 13 day of March, 2004, shall be qualified and elected from a representative district in the fashion set forth herein.

(b) The term of each Director elected from a Representative District shall be three (3) years, or until his/her successor shall have been elected and qualified.

Section 5. Qualifications. To become or remain a member of the Cooperative's Board of Directors, a member of the Cooperative must be:

(a) In the case of a candidate to be elected from a Representative District, a natural person who:

- (i) Is an active member of the Cooperative;
- (ii) Is a bona fide resident of the Representative District from which he/she is a candidate; and
- (iii) Meets the qualifications contained in subparagraph (b) of this Section 5.

(b) In addition to the requirements set forth in Section 5(a), no person shall be eligible to become or remain a Director of the Cooperative:

- (i) Who is currently or, within the last three years, has been an employee or Close Relative of an employee of the Cooperative; or
- (ii) Who is financially interested, or has a Close Relative who is financially interested in, any business, firm, or corporation that sells any form of energy or products similar to any products sold by the Cooperative, directly or indirectly; or
- (iii) Who is currently or, within the last three years, has been employed by or whose spouse is employed by an association of electric cooperatives or an electric generation or transmission company, cooperative, or association.
- (iv) Whose spouse is currently serving as a Director of the Cooperative; or
- (v) Who, within the last ten years, has been convicted of a felony or who within the last seven years, has been declared bankrupt.

(c) "Close Relative" for all purposes under this Article IV shall mean and is intended to include: spouse, children, a spouse of any children, parents, brothers, sisters, aunts, uncles, business partners and tenants.

(d) When a membership is shared pursuant to Article 1, Section 3, only one of the members of the shared membership may serve as a Director provided the respective member otherwise meet the qualifications herein.

(e) Nothing contained in this Section 5 shall be deemed to exclude seasonal or part-time employment of a Close Relative of a Board member or employee of the Cooperative from time to time.

(f) All candidates for director shall authorize the Cooperative to conduct a background search sufficient to demonstrate the candidate's compliance with the qualifications set forth in this Section and no member shall request nor shall the Cooperative accept nominating petitions from any member, who fails to authorize said search or meet the qualifications set forth in this Section. The determination of a candidate's qualifications shall be made by the Chief Executive Officer of the Cooperative. Any candidate who is determined to be unqualified by the Chief Executive Officer of the Cooperative shall be given written notice of said determination and shall have ten days from the date of the notice to dispute the Chief Executive Officer's determination of the candidates qualifications. Any such dispute regarding a candidate's qualifications shall be determined by a committee of five members, who are neither employees of the Cooperative, then serving Directors, nor candidates for director. Said Committee shall be selected by the Chairman of the Board of Directors of the Cooperative, unless the Chairman is a candidate for the seat the contesting candidate is seeking, in which case, the Committee shall be selected by the Vice Chairman of the Board of Directors.

(g) Upon establishment of the fact that a Board member is holding the office in violation of any of the foregoing provisions, or in the event that any Director shall fail to attend three or more meetings of the Board of Directors in any one calendar years, without reasonable cause, that member Board position shall be considered vacant, and the Board shall fill said vacancy in accordance with Section 8 of this Article. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 6. Nominations. All Directors shall be nominated by a petition signed by 15 or more members who live in the Director's Voting District. The petitions shall be delivered to the President of the Cooperative not more than seventy-five (75) nor less than sixty (60) days prior to the election date. The Secretary shall post such nominations at the Cooperative headquarters building forty-five (45) days prior to the election date. The Secretary shall mail, with the notice of the meeting, or separately, but not less than ten (10) days before the election date, a statement of the number of Directors to be elected and the names of the candidates. The names of candidates shall be arranged by Representative District and Voting District. Each candidate may provide a short biographical sketch of 250 words or less to be furnished to the membership.

Section 7. Elections. The members of the Board of Directors shall be elected by a vote of the active members of the Cooperative. The vote may be at a meeting of the members or by ballot by mail, by electronic voting, or by a combination of two or more of in person voting at the meeting of the members, ballot by mail, or electronic voting. Notwithstanding the foregoing, if a candidate for any Voting District is running unopposed, then written or electronic balloting shall be dispensed with, and the candidate shall be elected subject to acclamation of the members at the annual meeting, after a properly made motion and vote to elect the candidate. If the election date is not held in conjunction with the annual meeting, then any such motion and vote can be made in such manner as the Board may direct. If the Board of Directors determines that

the election of directors for any year shall be conducted in whole or in part by ballot by mail or electronically, the Board shall give notice of such determination when giving notice of the annual meeting of the members and shall fix a date for the return of ballots, designating the deadline for the return of ballots as the election date. The Secretary shall mail with the notice of annual meeting, a statement including the number of Directors to be elected, a biographical sketch of each director candidate, and if the candidate is running unopposed. Along with the statement, the secretary will mail a ballot (unless the candidate is running unopposed), and if the election is to be conducted in whole or in part by mail or electronic mail, notice of the Board's determination to so conduct the election and the Board's determination of the election date. Each member shall receive a ballot for the Director to be elected in his/her Voting District, unless the candidate for the director is running unopposed. Ballots may be returned to the Cooperative headquarters by United States mail or electronic mail, where permitted by the Board or, where the vote is to be held at the meeting of the members, the ballot may be brought to the meeting at which the election is held.

When ballots are provided for a contested election, members will only vote for the Director to be elected from their Voting District, with each member having only one (1) vote. In the event of a tie between candidates receiving the highest number of votes in a Voting District, the winner shall be determined by the drawing of lots in a manner that provides each candidate an equal chance of being selected, immediately after balloting has been completed and in advance of the reorganization meeting of the Board.

For any contested vote that is conducted pursuant to the terms of this Section 7, of this Article IV, the Board of Directors may allow any member that has an email account on file with the Cooperative to receive the ballot electronically and vote electronically, under such terms as determined necessary by the Board to protect the integrity of the election and the rights of all members to participate. The Election Date and date for the return of ballots for electronic voting will be consistent with the dates set for the return of ballots by mail.

The results of the election shall be announced within ten (10) days of the election date.

Section 8. Vacancies. Vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors, and Directors thus elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. The member elected as Director to fill the vacancy must meet the qualifications for the office to which he/she is elected by the Board.

Section 9. Removal of Directors. Any member may bring one or more charges for cause against any one or more Directors by filing with the Secretary such charges in a petition signed by not less than ten percent (10%) of all members of the Cooperative, which petition shall be set for a special meeting of members to hear and act upon said charges.

No special meeting for the removal of a Director shall be held less than sixty (60) days after the filing of the petition. The petition shall state the name and address of each member

filing said charges and shall correspond to the name and address as the same appears on the billing record of the Cooperative. It shall further contain a verbatim statement of such charge and shall identify the name of the Director or Directors against whom said charges are made. Notice of said charge(s) and a copy of such petition shall be given immediately to the Director(s) being charged as well as notice of the pendency of the petition and the date and place of meeting at least 20 days before the convening of said meeting. If more than one Director is charged the members shall vote separately on the removal of each Director.

At said meeting the person or persons bringing said charge(s) may be represented by counsel and may present testimony of witness or other evidence in support of said charges; and the charged Director(s) shall have the same right to be represented by counsel and to present evidence to refute said charge(s). The Board of Directors may appoint a hearing officer to conduct said hearing.

A Director shall be removed by action of a majority of the members attending said Special Meeting. Upon such removal, the Board of Directors shall fill said vacancy as in the case of other vacancies on the Board of Directors.

Section 10. Compensation. Board members shall not receive any salary for their services as such, except that members of the Board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any Close Relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his Close Relative shall have been certified by the Board as an emergency measure.

ARTICLE V

Meetings of Board

Section 1. Annual Reorganization and Regular Meetings. A reorganization meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members or, in the discretion of the Board of Directors, at a later date provided, however, that the reorganization meeting must be held no later than the first regularly scheduled meeting of the Board, following the election date. Officers shall be elected at such reorganization meeting and a schedule of regular Board meeting dates and times may be established for the next twelve (12) months. A regular meeting of the Board shall then be held monthly at such time and place as designated by the Board. Such regular monthly meetings of the Board may be held without further notice unless a resolution be adopted by the Board changing the time and place

thereof. A regular or special meeting of the Board of Directors may be held by telephone conference call or by any other reasonable electronic medium upon the consent of a majority of the Directors.

Section 2. Special Meetings. Special meetings of the Board may be called by the Chairman or by any three Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Board members calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Special Board Meetings. Notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally, by electronic mail, or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid at least five (5) days before the date set for the meeting or, if sent by electronic mail, said notice shall be considered delivered when sent.

Section 4. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting.

The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

Section 5. Electronic Attendance at Board Meeting. For good cause, a member of the Board may attend and participate in Board Meetings by electronic means, provided that said participation is approved by the Board Chairman. No Board member shall be permitted to participate by electronic means in more than two Board meetings during any calendar year, unless such electronic participation is approved by a majority of the Board, excluding the member making the request for approval.

ARTICLE VI

Officers

Section 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person. All officers of the Board, except the President, must be a member of the Cooperative and a duly elected or appointed member of the Board of Directors of the Cooperative.

Section 2. Election and Term of Office. The officers shall be elected, annually at the reorganization Board meeting held pursuant to Article V, Section 1. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his/her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgement the best interests of the Cooperative will be served thereby.

Section 4. Chairman. The Chairman shall:

(a) Be a member of the Cooperative and a duly elected or appointed member of the Board of Directors of the Cooperative;

(b) Be the principal executive officer of the Board and, unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;

(c) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(d) In general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

Section 5. Vice Chairman. In the absence of the Chairman or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board. The Vice Chairman shall be a member of the Cooperative and a duly elected or appointed member of the Board of Directors of the Cooperative.

Section 6. Secretary. The secretary shall be a member of the Cooperative and a duly elected or appointed member of the Board of Directors of the Cooperative and shall be responsible for:

(a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;

(b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;

(c) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) Keeping a register of the names and post office addresses of all members;

(e) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open

to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto any member upon request; and

(f) In general performing all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board.

Section 7. Treasurer. The Treasurer shall be a member of the Cooperative and a duly elected or appointed member of the Board of Directors of the Cooperative and shall be responsible for:

- (a) Being in charge of and having custody of all funds and securities of the Cooperative;
- (b) The receipt of and the issuance of receipt for all moneys due and payable to the Cooperative and for the deposit of all such moneys 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) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

Section 8. President. The Board shall appoint a President who may be, but who shall not be required to be, a member of the Cooperative. The President shall not be a duly elected or appointed member of the Board of Directors of the Cooperative. The President of the Cooperative shall be the Cooperative's Chief Executive Officer and shall perform such duties and shall exercise such authority as the Board may from time to time vest in him.

Section 9. No Bond Required of Officers or Agents. The Cooperative shall not require the Treasurer or any other officers or agents of the Cooperative to be bonded.

Section 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Board member and Close Relatives of a Board member.

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

ARTICLE VII

Non-Profit Operation

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

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

All other amounts received by the Cooperative from its operations in excess of costs and expenses may, 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 may be allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation to the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

Section 3. Retirement of Capital Credits. If, at any time prior to dissolution or liquidation of the Cooperative, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. Except as provided for under Section 4 of this article, any such retirements of capital shall be made in a manner consistent with then current Board policies for the retirement of capital credits and may, in the discretion of the Board, be made in either the order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired; or the cash made available for retirement in any year may be used, in whole or part to retire capital furnished by patrons during prior fiscal year; or a combination of both aforementioned methods.

Notwithstanding any of the foregoing provisions, the Board of Directors shall have the power to adopt Policies providing for the separate retirement of capital credited to the accounts of patrons, which corresponds to capital credited to the account of the Cooperative by organizations in which the Cooperative is a member. Such Policies may (a) establish a method for determining the portion of capital credited to each member for each fiscal year on account of capital credited to the account of the Cooperative by an organization in which the Cooperative is

a member, (b) provide for the separate identification on the Cooperative's books of the capital credited to the Cooperative's members as a result of capital credited to the Cooperative by an organization in which the Cooperative is a member, (c) provide for appropriate notifications to members with respect to the capital credited to the member's account as a result of capital credited to the account of the Cooperative by organizations in which the Cooperative is a member, and (d) preclude a general retirement of capital credited to the account of members for any fiscal year prior to the general retirement of that capital to the Cooperative by the organization in which the Cooperative is a member. In no event, however, may any such capital be retired if, in the opinion of the Board of Directors, the financial condition of the Cooperative after the proposed retirement will be impaired thereby.

In a manner allowed by law, to secure the payment of any amounts owed by a member or non-member to the Cooperative, the Cooperative shall have a security interest in the capital credits of all members and non-members and the right under these Bylaws to take such action as may be necessary to perfect the Cooperative's security interest in said capital credits. Before retiring and refunding any capital credits, the Board of Directors, at its discretion, acting under policies of general application and upon such terms and conditions as the Board of Directors shall determine to be in the best interest of the Cooperative, shall have the power to apply the retired capital credits allocated to the any outstanding debt or other financial obligation owed by a patron otherwise entitled to receive retired capital credits from the Cooperative.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application shall determine otherwise.

Section 4. Special Retirements.

(a) Notwithstanding any other provision of these Bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron that is also a natural person, if the legal representative of the estate of such patron shall request in writing that the capital credited to any such patron be retired prior to such time the capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, shall determine to be in the best interest of the Cooperative, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(b) Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, acting under policies of general application and upon such terms and conditions as the Board of Directors shall determine to be in the best interest of the Cooperative, shall have the power at any time to retire the capital credits allocated to those patrons that have an outstanding debt or other financial obligation to the Cooperative, provided that such special retirement not otherwise impair the financial condition of the Cooperative.

Section 5. Acknowledgement of Contract. 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. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII

Indemnification of Officers Directors, Employees and Agents

Section 1. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interest of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

Section 2. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person 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, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the

case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

Section 3. To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section (1) and (2), in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4. Any indemnification under Sections (1) and (2) (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections (1) or (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the members.

Section 5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification shall be entitled under any bylaw, agreement, vote of members or disinterested Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a 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 who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

ARTICLE IX

Disposition of Property

Section 1. Disposition of Property. Except as provided for under Article IX and Article X of these Bylaws, the Cooperative may not sell, lease or otherwise dispose of any of its property except:

- (a) property which, in the judgment of the Board of Directors, is or will be neither necessary nor useful in operating and maintaining the Cooperative's systems, provided, however, that sales of such property shall not in any one year exceed 8% percent of the value of all the property of the Cooperative,
- (b) services of all kinds, including electric energy, and
- (c) personal property acquired for resale.

Section 2. Mortgages. The Board of Directors may, from time to time, borrow money to be used solely for the purpose of the Cooperative and may pledge and mortgage the property of the Cooperative as security for such borrowing.

ARTICLE X

Voting on Mergers or Acquisitions of the Cooperative

Section 1. Board Review.

(a) No offer to purchase, lease, exchange, merge or otherwise dispose of the Cooperative or all or substantially all of the assets of the Cooperative shall be presented to the members of the Cooperative unless the offer has been submitted to the Board of Directors for review in the manner prescribed by Board Policy.

(b) The Board of Directors shall consider: (1) the value of the Cooperative institution as a way of doing business; (2) the value of the Cooperative as an institution in our community; (3) the importance of the Cooperative as a participatory democracy governed by the consumers it serves, as opposed to a for-profit utility company that is managed for the investor owners rather than the consumers it serves, in its review of any proposal to purchase, lease, exchange or merge the Cooperative or substantially all of the assets of the Cooperative.

Section 2. Special Meeting.

(a) If six (6) of the nine (9) Directors then serving on the Board of Directors recommends the sale, lease, exchange, merger or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative, the Board shall fix a date, time and place for a special meeting of the members, which meeting shall be held for the sole and express purpose of considering the Board's recommendation.

(b) A special meeting called for the purpose of voting upon the sale, lease, exchange, merger or other disposition of the Cooperative or all or substantially all of the assets of the

Cooperative shall be called by vote of six (6) of the nine (9) Directors then serving on the Board and, notwithstanding any other provision in these Bylaws, a special meeting for this purpose shall not be called by the members of the Cooperative.

(c) No member may participate by telephone conference or other communications equipment at a special meeting called by the Directors for the purpose of considering the sale, lease, exchange, merger or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative. Each member must appear in person to cast a vote at the special meeting.

(d) Members holding fifty-one percent of the votes entitled to be cast by active members of the Cooperative on the matter presented shall constitute a quorum at the special meeting.

(e) At the special meeting, any offer to purchase, lease, exchange, merge or otherwise dispose of the Cooperative or all or substantially all of the assets of the Cooperative must be approved by no less than three-fourths (3/4ths) of the then active members of the Cooperative present and voting at the special meeting.

(f) The Board of Directors shall conduct the voting and count and announce the results of the votes cast therein, in accordance with such plans and procedures as it shall establish consistent with any applicable provisions at law or of the Cooperative's Articles of Incorporation or Bylaws.

Section 3. Notice to Members. If the Board recommends the sale, lease, exchange, merger or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative, the Board Secretary shall direct written notice of a special meeting to consider the Board's recommendation to all active members of the Cooperative. The notice shall state the date, place and hour of the meeting and the purpose of the special meeting. The notice shall describe the proposal to be considered by the members and shall inform members that a complete copy of the proposal is available at the Cooperative office. Said notice shall be delivered to the members not less than 20 days and not more than 60 days before the date of the meeting.

Section 4. Final Board Action. If the members of the Cooperative, voting at a special meeting called pursuant to this Article X, shall vote in accordance with Section 2 of this Article to authorize the purchase, lease, exchange, merger or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative, the Board of Directors, at its next regularly scheduled Board meeting, shall vote to either proceed with the offer or to abandon such sale, lease, exchange or other disposition of assets, without further action or approval by the members entitled to vote.

ARTICLE XI

Voting on Mergers or Acquisitions of The Cooperative with or by Another Cooperative

Section 1. Significance of Merger with Another Electric Cooperative

(a) An offer to merge, purchase, lease or exchange all or substantially all of the assets of the Cooperative with another electric Cooperative engaged in the same or similar business will allow Enerstar Power Corp. to continue to benefit from (1) the value of the Cooperative institution as a way of doing business; (2) the value of the Cooperative as an institution in our community; and (3) the importance of the Cooperative as a participatory democracy governed by the consumers it serves, as opposed to a for-profit utility company that is managed for the investor/owners rather than the consumers it serves. Therefore, notwithstanding any other provision of these Bylaws, and in consideration of the value of such a merger for the Cooperative, the following procedure shall apply to the merger, purchase, lease, exchange or other disposition of all or substantially all of the Enerstar Power Corp. assets by or of another electric cooperative.

(b) Definition of Electric Cooperative. For purposes of this Article XI, Electric Cooperatives shall mean (a) any cooperative, corporation, or other entity that owns, controls, operates or manages, directly or indirectly, any plant, equipment or property for the production, transmission, sale, delivery, or furnishing of electricity, whether organized as a not-for-profit corporation under Illinois law or under a similar state statute of another jurisdiction permitting member ownership; and (b) that either is or has been financed in whole or in part under the federal "Rural Electrification Act of 1936" and Acts amendatory thereof and supplementary thereto, or is directly or indirectly caused to be formed by any one or more such not-for-profit corporations or other persons that is or has been so financed, as provided by the Illinois Electric Supplier Act, Section 30/3.4 or similar provision of another state.

Section 2. Board Review. No offer to merge, purchase, lease, exchange or otherwise dispose of the Cooperative or all or substantially all of the assets of the Cooperative shall be presented to the members of the Cooperative unless the offer has been submitted to the Board of Directors for review in the manner prescribed by Board policy.

Section 3. Special Meeting

(a) If a majority of Directors then serving on the Board of Directors recommends the merger, sale, lease, exchange or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative, the Board shall fix a date, time and place for a special meeting of the members, which meeting shall be held for the sole and express purpose of considering the Board's recommendation.

(b) A special meeting called for the purpose of voting upon the merger, sale, lease, exchange, or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative shall be called by vote of a majority of the Directors then serving on the Board and, notwithstanding any other provision in these Bylaws, a

special meeting for this purpose shall not be called by the members of the Cooperative.

(c) No member may participate by telephone conference or other communications equipment at a special meeting called by the Directors for the purpose of considering the merger, sale, lease, exchange or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative. Each member must appear in person to cast a vote at the special meeting.

(d) Members holding six percent of the votes entitled to be cast by the active members present shall constitute a quorum at the special meeting. In the case of a shared membership, the presence at the special meeting of any one holder of such shared membership shall be regarded as the presence of an active member.

(e) At the special meeting, any offer to merge, purchase, lease, exchange or otherwise dispose of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative must be approved by a majority of the active members of the Cooperative present and voting at the special meeting.

(f) The Board of Directors shall conduct the voting and count and announce the results of the votes cast therein, in accordance with such plans and procedures as it shall establish consistent with any applicable provisions at law or of the Cooperative's Articles of Incorporation or Bylaws.

Section 4. Notice to Members. If the Board recommends the merger, sale, lease, exchange, or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative, the Board Secretary shall direct written notice of a special meeting to consider the Board's recommendation to all active members of the Cooperative. The notice shall state the date, place, and hour of the meeting and the purpose of the special meeting. The notice shall describe the proposal to be considered by the members and shall inform members that a complete copy of the proposal is available at the Cooperative office. Said notice shall be delivered to the members not less than 20 days and not more than 60 days before the date of the meeting.

Section 5. Final Board Action. If the members of the Cooperative, voting at a special meeting called pursuant to this Article XI, shall vote in accordance with Section 2 of this Article to authorize the merger, purchase, lease, exchange or other disposition of the Cooperative or all or substantially all of the assets of the Cooperative with another electric cooperative, the Board of Directors, at its next regularly scheduled Board meeting, shall vote to either proceed with the offer or to abandon such sale, lease, exchange or other disposition of assets, without further action or approval by the members entitled to vote.

ARTICLE XII

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, Illinois".

ARTICLE XIII

Financial Transactions

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

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of such indebtedness issued in the name of the Cooperative shall be signed and/or countersigned 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.

Section 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

Section 4. Fiscal Year. The fiscal year of the Cooperative shall be established by the Board of Directors.

ARTICLE XIV

Miscellaneous

Section 1. Membership in Other Organizations. The Cooperative may, upon authorization of the Board, become a member of or purchase stock in or from any other organization when, in the judgment of the Board, such membership or purchase of stock will be in the best interest of the Cooperative.

Section 2. Waiver of Notice. Any member or Board member may waive in writing any

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

Section 3. Policies. The Board shall have power to make and adopt such policies, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable for the conduct of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which shall conform to generally accepted accounting principles.

The Board of Directors shall also annually cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative, such audit to be made at such time during the year as may be determined by resolution of the Board of Directors. A report of such audit shall be submitted to the members at the next following meeting.

Section 5. Plant Integrity. The Board shall cause to be established, principles that ensure the continued integrity of the physical plant in accordance with generally accepted engineering and safety principles.

Section 6. Area Coverage. The Board shall make diligent effort to see that the electric service is extended to all unserved persons, firms, corporation and governmental units within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XV

Amendments

These Bylaws may be altered, amended, or repealed by a majority vote of the active members at any regular or special meeting, provided that the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal to be considered at the meeting.

These Bylaws may also, when permitted by law, be amended by a vote of the active members by mail or electronic voting, where permitted by the Board of Directors by the

following procedure:

(a) The Board shall adopt a resolution setting for the proposed amendment and directing that it be submitted to a vote of the active members by ballot by mail and/or electronic voting.

(b) Written or printed notice setting forth the proposed amendment shall be given to each active member at the time the ballots are mailed.

(c) The proposed amendment shall be adopted upon receiving a majority of the votes cast by active members entitled to vote on such amendment.