

BYLAWS OF JASPER COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION (REMC)

The aim of Jasper County Rural Electric Membership Corporation (hereinafter called the "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

ARTICLE I MEMBERS

Section 1. Qualifications and Obligations. Any person, firm, association, partnership, corporation, or body politic may become a member in the Cooperative by:

- (a) Paying the membership fee hereinafter specified or required by the Cooperative's policies;
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (c) Signing an application for membership and agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws and any amendments thereto and such policies, rules and regulations as may from time to time be adopted by the Board of Directors.

Any two or more persons may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the persons comply jointly with the provisions of the above subdivisions (a), (b), and (c).

Section 2. Membership Fee.

- (a) On and after July 1, 2007, refundable membership fees shall no longer be required to become a member. The whole or any part of such membership fee previously paid by a member may be applied without notice to a current or past due account maintained by the member.

The Board of Directors shall establish an equitable plan to refund membership fee and/or meter deposits in the amounts that may appear on the Cooperative's books and records. The term "membership fees" as used throughout these Bylaws shall be considered to be refundable membership fees.

- (b) Such refundable membership fees shall not bear interest.
- (c) Pending final refund of such membership fees, the refundable membership fees provided for herein shall be payable to the payor or the payor's personal representative under the probate laws of the State of Indiana or assignable to a new member upon the withdrawal or termination of membership if the member has no other outstanding indebtedness to the Cooperative.
- (d) A record of all refundable membership fees and the refund of such fees shall be maintained.

Section 3. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his or her application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board of Directors provided, however, that the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount per month, regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors. Notwithstanding the foregoing, the board of directors may adopt and amend policies from time to time to allow members to use electric energy produced by a co-generation facility, renewable generation facility or other generation facility on such terms and conditions as shall be established by the board.

Section 4. 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 5. 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 so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

Section 6. 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.

A member shall be deemed to have withdrawn from membership upon (a) ceasing to directly occupy or use all premises being furnished electric service through such membership, or (b) transferring such membership pursuant to Article I, Section 7 of these Bylaws, or (c) abandoning totally the use of electric service supplied by the Cooperative on all such premises, or (d) failing to pay in full all debts and liabilities of such member to the Cooperative within thirty (30) days after such debts are due and payable.

Section 7. Transfer and Termination of Membership.

- a) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided. Upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall operate as a release of all right, title, and interest of the member in the property and assets of the Cooperative other than accrued capital credits assigned to the member; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative.
- b) A membership may be transferred by a member to the member and another person jointly, upon the written request of such member and compliance by such persons jointly with the provisions 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 original certificate representing the membership so transferred.
- c) When a membership is held jointly, upon the death of either person 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 the survivor. However, the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.
- d) Upon the termination of a 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 person shall not be released from any debts due the Cooperative. The membership deposit shall be maintained as the membership deposit of former joint member who continues to occupy or use the premises unless otherwise ordered by a court of competent jurisdiction.

- e) The death of an individual human member shall automatically terminate his or her membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership, PROVIDED, that upon the dissolution for any reason of a partnership, such membership shall continue to be held solely by such remaining partner or partners as were parties to the original membership and continue directly to occupy or use the premises covered by such membership.

ARTICLE II MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held at any time within the calendar year, at such hour and place in Jasper County, State of Indiana, as shall be designated by resolution of the Board of Directors adopted not less than sixty (60) days prior to such meeting. The purpose of the annual meeting shall be election of directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as it conveniently may be scheduled. Failure to hold the annual meeting at the designated time shall not work as a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by the President, by the Board of Directors, or upon a written request signed by at least five percent (5%) of all the members and it shall thereupon be the duty of the Secretary to cause a notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Jasper in the State of Indiana specified in the notice of a special meeting.

Section 3. Notice of Members Meeting. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail or electronically, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. If transmitted electronically, the notice shall be deemed delivered when transmitted to the electronic mail address or other address provided by the member for electronic communications. In case of a joint membership, notice given either joint member shall be sufficient. 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.

Section 4. Quorum. At least two percent (2%) of the total number of members of the Cooperative who:

1. are present in person at a meeting of the members; or
2. cast votes prior to a meeting of the members in accordance with these Bylaws and any policies, rules or regulations adopted from time to time by the Board of Directors;

shall constitute a quorum for the transaction of business at all meetings of the members of which notice shall have been given as provided herein; provided that if a quorum is not established, a majority of the members present at the meeting may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify any absent members of the time and place of such rescheduled meeting. In case of a

joint membership, the presence at a meeting or a vote cast prior to the meeting of either joint member shall be regarded one member for purposes of establishing a quorum.

Section 5. Voting. Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members.

1. If early voting is authorized by the board of directors for a matter submitted to a vote at a meeting of the members, a Member may vote in person at the meeting or may cast a ballot provided by the Cooperative prior to the meeting in the manner and within the timeframe established by the Board and described on the early ballot. A Member submitting an early ballot may not revoke the early ballot and will not be entitled to vote at the meeting regarding a matter described in the early ballot.
2. If early voting is authorized by the board of directors for a matter submitted to a vote at a meeting of the members, the Cooperative shall make early ballots available to eligible members at least ten (10) days before the meeting. The board of directors shall establish and communicate to members a deadline by which all mail-in and electronic ballots must be submitted. No early ballots will be accepted following the deadline established by the board of directors. Eligible members that do not timely submit an early ballot prior to the deadline established by the board of directors may cast a ballot in person at the meeting. A Member's failure to receive an early ballot does not affect or invalidate a vote or action taken by other members. An early ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, an early ballot procured or cast through fraud or other improper means is invalid.
3. Proxy voting will not be permitted.

At all meetings of the members at which a quorum is established, all questions presented shall be decided by a majority vote of the members voting unless these Bylaws or other applicable law require otherwise; provided, however, that if more than two (2) persons are running for election as a director for a single director's seat, then the person receiving the most votes shall be elected. In the event of a tie vote, a second ballot shall be cast by members present in person at the meeting only as to matter in which there was a tie vote. If, after the second ballot, there remains a tie vote regarding the election of a director, the tied vote will be resolved by drawing lots. If two or more persons hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

Section 6. Order of Business. The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

1. Report by the Chairman on the number of members present in person and the number of votes cast prior to the meeting in order to determine the existence of a quorum.
2. Publication 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. Publication of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors, and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 7. Parliamentary Procedure. Parliamentary procedure at all meetings of the members, of the Board of

Directors, of the nominating committee, or of any other committee provided for in these Bylaws shall be governed by the most recent edition of Roberts Rules of Order, except to the extent such procedure is otherwise determined by law or by the Articles of Incorporation or the Bylaws.

ARTICLE III DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be directed by a Board of Directors composed of seven (7) members.

For the purpose of this Article, a member which is a corporation, association, partnership or body politic may in writing designate a person who will be qualified to serve as a director if duly elected by the membership. Any such person designated by a corporate member must meet the residency requirements of Section 2 of this Article. The Board of Directors shall exercise all of the powers of the Cooperative except such as are by law or by the Articles of Incorporation, or by these Bylaws conferred upon or reserved to the members.

Section 2. Districts. The electric service area served by the Cooperative shall be divided into three (3) districts that equitably represent the Members as follows:

District 1 - The areas within the service territory of the Cooperative located in Lincoln Township in Newton County, Colfax Township in Newton County, Jackson Township in Newton County, Iroquois Township in Newton, Union Township in Jasper County, Newton Township in Jasper County, Jordan Township in Jasper County, Carpenter Township in Jasper County, Marion Township in Jasper County, Milroy Township in Jasper County.

District 2 - The areas within the service territory of the Cooperative located in Walker Township in Jasper County, Barkley Township in Jasper County, Hanging Grove Township in Jasper County, Gillam Township in Jasper County, Cass Township in Pulaski County, White Post Township in Pulaski County, Salem Township in Pulaski County, Monon Township in White County.

District 3 - The areas within the service territory of the Cooperative located in Keener Township in Jasper County, Wheatfield Township in Jasper County, Kankakee Township in Jasper County, Railroad Township in Starke County, Boone Township in Porter County, Pleasant Township in Porter County.

There shall be two (2) directors elected from each district, who must receive electric service from the Cooperative at his or her primary residential abode within the district from which he or she is elected. There shall be one (1) "At-Large" director who must receive electric service from the Cooperative at his or her primary residential abode within the electric service area served by the Cooperative.

In the event an incumbent director changes his or her residential abode and no longer resides within the district from which he or she was elected and no longer receives electric service from the Cooperative within the district from which he or she was elected, the member shall not be qualified to remain a director from that district and shall be removed from such office by the remaining members of the Board of Directors. In the event an incumbent director changes his or her residential abode and no longer resides within the district from which he or she was elected but continues to receive electric service from the Cooperative within the district from which he or she was elected, the director shall remain eligible to serve out the remainder of his or her term. If an incumbent At-Large director changes his or her residential abode and no longer resides within the electric service area served by the Cooperative and no longer receives electric service from the Cooperative, the member shall not be qualified to remain a director and shall be removed from such office by the remaining members of the Board of Directors. If the incumbent At-Large director changes his or her residential abode and no longer resides within the electric service area of the Cooperative but continues to receive electric service from the Cooperative, the director shall remain eligible to serve out the remainder of his or her At-Large term.