

miami-cass remc

A Touchstone Energy[®] Cooperative



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Bylaws & Member Information

BYLAWS

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MISSION STATEMENT

Miami-Cass REMC's mission is to provide our member/owners with cost effective energy and related services, while operating in a manner that positively impacts our community.

BYLAWS

OF

MIAMI-CASS COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

ARTICLE I

MEMBERSHIP

SECTION 1. Requirements for Membership

The corporate purpose of the Miami-Cass County Rural Electric Membership Corporation (hereinafter called the "Corporation") shall be to render service to its members only and no person shall become or remain a member of the Corporation, unless such person shall purchase electric energy supplied by the Corporation and shall have complied with the terms and conditions in respect to membership contained in these bylaws.

Any person, firm, association, corporation or body politic may become a member of the Corporation by:

- a. Making an application for membership therein;
- b. Agreeing to purchase from the Corporation electric energy as hereinafter specified;
- c. Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Corporation and any rules and regulations adopted by the Board of Directors, and
- d. Paying the membership fee hereinafter specified:

Provided, however, that no person, firm, association, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the board of directors or the members. No member may hold more than one voting membership in the Corporation, and no membership in the Corporation shall be transferable, except as provided in these bylaws.

At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Corporation, all applications received more than ninety days prior to such meeting which have not been accepted or which have been rejected by the board of directors shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by vote of the members. The Secretary shall give each applicant at least ten days written notice of the date of the member's meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

SECTION 2. Joint membership

A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a. The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- b. The vote of either separately or both jointly shall constitute one joint vote.
- c. A waiver of notice signed by either or both shall constitute a joint waiver;
- d. Notice to either shall constitute notice to both.
- e. Expulsion of either shall terminate the joint membership.
- f. Withdrawal of either shall terminate the joint membership.
- g. Either but not both may be elected or appointed as an officer or director provided that both meet the qualifications for such office.

SECTION 3. Conversion of Membership

- a. A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Directors. The outstanding membership shall be amended by the Corporation in such manner as shall indicate the changed membership status.
- b. Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership shall be amended in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Corporation.
- c. Upon the divorce of a husband and wife who are holders of a joint membership, such membership shall be held solely by the spouse so designated by the court or by agreement of the spouses. The outstanding membership shall be amended in such manner as shall indicate the changed membership status, provided however, that either party shall not be released from any debts due the Corporation prior to the date of record change.

SECTION 4. Membership Fee

- a. Any person, firm, association, corporation or body politic applying for service shall pay a refundable membership fee in an amount as might be set from time to time by the Board of Directors by Resolution, the payment of which shall make the applicant eligible for one primary service connection. An additional refundable membership fee shall not be paid for each additional service connections by the same person, firm, association, corporation or body politic.
- b. Any person, firm, association, corporation or body politic applying for or receiving electric service prior to January 1, 1981 shall be credited with the remainder of all amounts theretofore paid by him or it to this corporation for membership fees and/or deposits for service connections and not refunded by this corporation; and such credit shall be applied upon new or additional membership fees required as above stated in 'a'. These

membership fees and deposits are hereby merged into the total membership fee required of all coming under this section for each service connection.

- c. MEMBERSHIP FEES SHALL NOT BEAR INTEREST; and all or any part of such membership fees may be applied without notice to any indebtedness that might be owed by the member.

SECTION 5. Purchase of Electric Energy

Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises specified in his application for membership, and shall pay therefor 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 Corporation shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by 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 Corporation such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

SECTION 6. Termination of Membership

- a. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe. The board of directors of the Corporation may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the board of directors but only if such member shall have been given written notice by the Secretary of the Corporation 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 vote of the board of directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Corporation, or of a member who has ceased to purchase energy from the Corporation, shall be canceled by resolution of the board of directors.
- b. Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate.
- c. In case of withdrawal or termination of membership in any manner, the Corporation shall repay to the member the amount of membership fee paid by him, provided, however, that the Corporation may deduct from the amount of the membership fee the amount of debts or obligations owing from the member to the Corporation.
- d. Any membership fee or portion thereof in the possession of the Corporation sixty (60) days after termination of service to the service connection for which such fee was established may be transferred to the "Donated Capital" account of the Corporation provided:
 - 1. The member has been notified in writing of such proposed action with such notice being deposited in the United States mail addressed to the member in accordance with the address shown on the records of the Corporation;

2. That such notice shall have been mailed as provided in one (1) above not less than sixty (60) days prior to the date such transfer is made;
3. That upon failure of the member to make claim upon notification within the time specified in two (2) above.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members

Upon dissolution, after (a) all debts and liabilities of the Corporation shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Corporation shall be distributed in accordance with the applicable provisions of law.

SECTION 2. Non-liability for Debts of the Corporation

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

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting

The annual meeting of the members shall be held within Miami or Cass Counties, State of Indiana, on a date and at a place fixed by the board of directors at a regular meeting not less than 120 days prior to the planned date of said meeting. The notice given of such meeting shall designate the time and place such meeting is to be held and such meeting shall be held for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transaction of such other business as may come before the meeting. It shall be the responsibility of the board of directors 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 Corporation.

SECTION 2. Special Meetings

Special meetings of the members may be called by resolution of the board of directors, or upon a written request signed by any three directors, by the President, or by five percentum 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 Miami or Cass Counties, State of Indiana, specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meetings

Written or printed notice stating the place, day and hour of the meeting and, in case of a special or an annual meeting at which business requiring special notice is to be transacted, the

purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than forty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the person 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 address as it appears on the records of the Corporation, with postage thereon prepaid. 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

Not less than two per centum of the total number of members of the Corporation present in person shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person 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 adjourned meeting.

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. Except as otherwise provided by law, the Articles of Incorporation, or these by-laws, a majority vote of those members who are voting at any regular meeting or at any special meeting of the members called for that purpose, shall be necessary for the taking of any action, adoption of any resolution, or election of any Directors, or otherwise as the case may be; provided, that if more than two (2) persons are running for election as a Director from the same District, then the person receiving the most votes shall be elected. In the event of a tie vote for Director, the flip of a coin shall determine the winner.

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, except as otherwise determined by the members at such meeting;

1. Report on the number of members present in person in order to determine the existence of 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.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS

SECTION 1. General Powers

The business and affairs of the Corporation shall be managed by a board of directors, which shall exercise all of the powers of the Corporation except as are by law, the articles of incorporation, or these bylaws conferred upon or reserved to the members.

SECTION 2. Election Districts for Directors

The territory served by the Corporation shall be divided into districts for the nomination and election of Directors as follows:

1. Allen, Erie, Jefferson, Perry, Peru, Richland and Union townships in Miami County and Paw Paw township in Wabash County. (Two Directors)
2. Adams, Bethlehem, Clay, Eel and Miami townships in Cass County. (One Director)
3. Deer Creek, Jackson, Tipton, and Washington townships in Cass County. (One Director)
4. Butler, Clay, Deer Creek, Harrison, Jackson, Pipe Creek, and Washington townships in Miami County. (Three Directors)

SECTION 3. Election and Tenure of Office

At the annual meeting of the members to be held in the year 2003, one director shall be elected from District 1, one director shall be elected from District 3 and a one director shall be elected from District 4, each for a term of three years; in the year 2004 one director shall be elected from District 2 and one director shall be elected from District 4, each for a term of three years; in the year 2005, one director shall be elected from District 1 and one director shall be elected from District 4, each for a term of three years, and upon expiration of the terms of the directors so elected, all directors shall be elected for an additional term of three years or until their successors shall have been elected and shall have qualified. All directors shall be elected by ballot by and from the members. If an election of directors shall not be held on the day designated herein for the annual meeting or any adjournment thereof, a special meeting of the members shall be held for the purposes of electing directors within a reasonable time thereafter. Directors may be elected by a plurality vote of the members.

SECTION 4. Qualifications

No person shall be eligible to become or remain a director of the Corporation who:

- a. is not a member and bona fide resident of the election district in the area served or to be served by the Corporation; or
- b. is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Corporation or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Corporation; or
- c. is the incumbent of or nominated candidate for an elective public office in connection with a salary of ten (\$10,000) thousand dollars or more per annum.
- d. has been or is convicted of a felony.
- e. is or has been an employee of the cooperative within the last three (3) years.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall notify such director of his violation, by registered mail. Said notice shall give the time and place of the meeting where the director can appear and be heard, after which the board may remove, or refuse to remove said director. The majority decision of the board of directors shall be final.

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

SECTION 5. Nominations

It shall be the duty of the board of directors to appoint, not less than thirty days nor more than ninety days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than two nor more than seven members who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Corporation. No officer or member of the board of directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Corporation at least twenty days before the meeting, a list of nominations for directors, but any fifteen or more members may make other nominations in writing over their signatures not less than fifteen days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted. The Secretary shall mail to each member at least ten days before the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

SECTION 6. Removal of Directors by Members

Any member of the Corporation may bring charges against a director for malfeasance in office and conduct that might tend to bring disgrace and reproach on the director, or the Corporation, its officer, or members, by filing with the Secretary such charges in writing, together with a petition signed by at least ten per centum of the members requesting the removal of such director by reason thereof. The director against whom such charges have been brought shall be informed of the charges by registered mail not less than ten days prior to the board of director's meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such director, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 7. Vacancies

Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, any vacancy occurring in the board of directors shall be filled by the affirmative vote of the majority of the remaining directors for the unexpired portion of the term.

SECTION 8. Compensation

Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors, a fair remuneration for the time actually spent and actual expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors, and in addition to said remuneration, directors can authorize additional remuneration that is not in conflict with these bylaws or the laws of Indiana. No director shall receive compensation for serving the Corporation in any other capacity, nor shall any close relative of a director receive compensation for serving the Corporation, unless the payment and the amount of compensation shall be specifically authorized by the board of directors or the service of such director or close relative shall have been certified by the board of directors or the CEO as a temporary or emergency measure.

SECTION 9. Director Liability

A director shall not be personally liable while acting in good faith for the acts or omissions of the Corporation.

ARTICLE V

MEETINGS OF DIRECTORS

SECTION 1. Regular meetings

A regular meeting of the board of directors shall be held monthly at such time and place in Miami or Cass Counties, State of Indiana, as the board of directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings

Special meetings of the board of directors may be called by the President or by any three directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place (which shall be in Miami or Cass Counties, State of Indiana), for the holding of the meeting.

SECTION 3. Notice of Directors' Meeting

Written notice of the time, place, and purpose of any special meeting of the board of directors shall be delivered to each director not less than three days previous thereto either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Corporation with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting.

SECTION 4. Quorum

A majority of the board of directors shall constitute a quorum, provided, that if less than such majority of the directors present at said meeting, a majority of the directors present may adjourn

the meeting from time to time and provided further, that the Secretary shall notify any absent directors of the time and place of such meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

SECTION 5. Conduct of board meetings.

Unless otherwise provided in these Bylaws, any regular Board Meeting or Special Board Meeting (“Board Meeting”) may be conducted with absent Director’s participating, and deemed attending and present in person, through any means of communications by which all Directors participating in the Board Meeting may simultaneously and approximately instantaneously communicate with each other during the Board Meeting.

If a Director quorum is present at any Board Meeting, then:

- a. In descending priority, the following Officers may preside at the Board Meeting: President, Vice President, Secretary, and Treasurer; and
- b. If no Officer is present or if no Officer desires to preside over any Board Meeting, then **the Directors attending the Board Meeting shall elect a Director to preside over the Board Meeting.**

The Board may promulgate or approve rules, policies, and procedures regarding:

- a. The attendance at, participation in, or presentation during Board Meetings by persons other than Directors;
- b. The right to access, inspect, or copy any Minutes, record, or other documents relating to any Board Meeting by persons other than Directors; or
- c. The conduct of meetings.

ARTICLE VI

OFFICERS

SECTION 1. Number

The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the board of directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. Election and Term of Office

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

SECTION 3. Removal of Officers and Agents by Directors

Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against an officer for malfeasance in office and conduct that might tend to bring disgrace and reproach on the officer,

or the Corporation, its directors, or members, by filing with the Secretary such charges in writing, together with a petition signed by at least ten percentum of the members and requesting the removal of such officer by reason thereof. The officer against whom such charges have been brought shall be informed of the charges by registered mail not less than ten days prior to the board of directors meeting at which the charges are to be considered and shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President

The President shall:

- a. be the principal executive officer of the Corporation and, unless otherwise determined by the members or the board of directors, shall preside at all meetings of the members and the board of directors;
- b. sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- c. in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

SECTION 5. Vice President

In the absence of the President, or in the event of his inability or refusal to act, the vice-president shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 6. Secretary

The Secretary shall:

- a. keep the minutes of the members and of the board of directors in one or more books provided for that purpose;
- b. see that all notices are duly given in accordance with these bylaws or as required by law;
- c. be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws;
- d. have kept a register of the names and post office addresses of all members;
- e. have general charge of the books of the Corporation;
- f. keep on file at all times a complete copy of the articles of incorporation and bylaws of the Corporation containing all amendments thereto (which copy shall always be open to inspection of any member; and, if so directed by the Board, at the expense of the Corporation, forward a copy of the bylaws and of all amendments thereto to each member; and
- g. in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 7. Treasurer

The Treasurer shall:

- a. have charge and custody of and be responsible for all funds and securities of the Corporation
- b. be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the corporation and for the deposit of all such moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- c. in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 8. Chief Executive Officer

The Board of Directors may appoint a Chief Executive Officer (CEO) who may be, but who shall not be required to be, a member of the Corporation. The CEO shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him.

SECTION 9. Bonds of Officers

The treasurer and any other officer or agent of the Corporation charged with the responsibility of custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any officer, agent or employee of the Corporation to give bond in such amount and with such surety, as it shall determine.

SECTION 10. Compensation

The powers, duties and compensation of officers, agents, and employees shall be fixed by the Board of Directors, subject to the provisions of these bylaws with respect to compensation for Directors and close relatives of Directors.

SECTION 11. Reports

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

ARTICLE VII

NON-PROFIT OPERATION

SECTION 1. Interest of Dividends on Capital Prohibited

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

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy

In the furnishing of electric energy the Corporation's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Corporation. In order to induce

patronage and to assure the Corporation will operate on a non-profit basis the Corporation is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the patrons as capital. The Corporation 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 Corporation 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 to their account. 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 legal obligation to do so and the patron had then furnished the Corporation corresponding amounts for capital.

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

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to the dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order or priority according to the year in which the capital is furnished and credited, the capital first received by the Corporation being first retired. IN no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least fifty percentum (50%) of the total assets of the Corporation.

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

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time 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 and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

The patrons of the Corporation, by dealing with the Corporation acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Corporation and each patron, and both the Corporation 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 Corporation by posting in a conspicuous place in the

Corporation's office.

SECTION 3. Patronage Refunds in Connections with Furnishing Other Services

In the event that the Corporation should engage in the business of goods or services other than electric energy, all amount received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained.

SECTION 4. Patronage Capital in Connections with Power Supply Cooperatives

Capital Credits received from Wabash Valley Power Association, the power supplier for the Miami-Cass County Rural Electric Membership Corporation, shall be maintained as a separate capital credit account of the members of Miami-Cass County Rural Electric Membership Corporation; shall be allocated to the accounts of the members of the Miami-Cass County Rural Electric Membership Corporation in the year in which Miami-Cass County Rural Electric Membership Corporation receives written notice that Wabash Valley Power Association has allocated Capital Credits to the Miami-Cass County Rural Electric Membership Corporation. The separate capital credits received from Wabash Valley Power Association that are credited to the special capital accounts of the members of the Miami-Cass County Rural Electric Membership Corporation shall not be retired or distributed to the members until such time as capital credit has been actually distributed by Wabash Valley Power to Miami-Cass County Rural Electric Membership Corporation and until such time as the Board of Directors of Miami-Cass County Rural Electric Membership Corporation, by appropriate resolution duly adopted and passed, authorize the distribution of these special capital credits to the account of the members.

No notice of the allocation of these special capital credits shall be given to the member, but the member's special capital credits account shall be available for the member's inspection.

SECTION 5. Disposition of Unclaimed Capital Credits, Cash Retirements or Other Payments

Notwithstanding any provisions herein contained to the contrary and pursuant to the statutes of the State of Indiana (I.C. 8-1-13-11), the Corporation shall recover, after a period of two (2) years, any unclaimed stocks, dividends, capital credits, patronage refunds, utility deposits, membership fees, account balances, or book equity for which the owner (member or former member) cannot be found and are the result of distributable savings of the corporation, giving sixty (60) days notice in a newspaper printed in the English language and published in the country in which the corporation locates its general headquarters. Such notice shall state the owner's name and approximate amount of owner's interest, and that if not duly claimed within sixty (60) days of said notice, the same shall be turned over to the corporation, which shall reallocate the same to other members. If no provable claim shall have been filed by such notice within sixty (60) days after the one-time publication of said notice, the corporation by said member and thereafter allocate to the other members of the corporation on a pro rata basis for the year in which the sixtieth (60th) day falls after the published notice.

Any member or former member who fails to claim any cash retirement or capital credit or other payment within two (2) years after payment has been made available to such person, such failure will constitute an irrevocable assignment and gift to the corporation of such capital credits or other payments.

ARTICLE VIII

DISPOSITION OF PROPERTY AND FINANCING

(a) The Cooperative shall not sell, lease, or other-wise dispose of all, of substantially all, the property of the Cooperative unless the same shall be authorized by a resolution duly adopted at a meeting of its members duly called and held as provided by law, which resolution shall have received the affirmative vote of at least a majority of all its members.

(b) The Board of Directors of the Cooperative shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust of, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenues therefrom, for the purpose of financing the construction or maintenance of the Cooperative's distribution, generation, or transmission system or systems and for general plant as defined in the Uniform System of Accounts, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to any financial institution.

ARTICLE IX

SEAL

The corporate seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Peru, Seal, Indiana" and the figures "1939".

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 1. Contracts

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

SECTION 2. Checks, Drafts, etc.

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

SECTION 3. Deposits and Investments

All funds of the Corporation shall be deposited or invested, from time to time, to the credit of the Corporation in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

SECTION 4. Change in Rates

Prior to any adjustment to the Corporation's electric rates, written notice shall be provided to the National Rural Cooperative Finance Corporation or other such entities requiring notification, at least 90 days prior to said changes taking effect.

SECTION 5. Fiscal Year

The fiscal year of the Corporation shall begin on the first (1) day of January of each year and shall end on the thirty-first (31) of December of the same year.

ARTICLE XI

MISCELLANEOUS

SECTION 1. Membership in Other Organizations

The Corporation shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify what action is to be taken upon such proposed membership or stock purchase, provided, however, that the Corporation may upon the authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification.

SECTION 2. Waiver of Notice

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

SECTION 3. Rules and Regulations

The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Corporation.

SECTION 4. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system, which among other things, is subject to applicable laws, rules, and regulations of any regulatory body. The Board of Directors shall also cause to be made annually a full and complete audit of the accounts, books and financial condition of the Corporation. Such audit reports shall be submitted to the members at the next following annual meeting.

ARTICLE XII

AMENDMENTS

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

MEMBER INFORMATION

PAYMENT METHODS

Budget Billing

Miami-Cass REMC offers a Budget Billing Program to members who want to evenly distribute their heating and cooling bills. There are two requirements to be on Budget Billing: (1) you must have received service for at least twelve consecutive months and (2) you cannot owe a past due bill.

Applications for the Budget Billing Program are only accepted during the months of April through October. Contact the office for more details.

Automatic Payment Plan

Have your electric bill automatically deducted monthly from your bank checking account or MasterCard or Visa credit or debit card. Save time and a stamp, assure worry free bill payment, no hassling with mailing a payment or writing checks! Call the office for more details.

Credit/Debit Card Payments

Miami-Cass REMC accepts MasterCard and Visa credit and debit card payments for electric bills. Payments are acceptable over the telephone, in person, or online at our website through our secure E-Bill page.

Internet Website

Miami-Cass REMC is online at www.mcremc.coop. Visit to learn more about your electric co-op, services and products, rates, programs, upcoming events, your board of directors and the staff. Your account can be viewed and payments can be made through our secure E-Bill page.

INFORMATION PROVIDED TO MEMBERS

A member may request, free of charge, a copy of the rate schedule that is applicable to the type of service requested, a history of their kilowatt-hour usage or any other information concerning the members electric account. Miami-Cass REMC will provide the requested information within a reasonable amount of time.

MODIFICATION AT MEMBER'S EXPENSE

If a member requests for their convenience or by their actions, the REMC equipment or facilities be re-designed, re-engineered, relocated, removed, modified or re-installed, the REMC may require the member to make full payment of the full costs of performing such service. Indiana Administrative Code, 170-IAC-4-1-5, Section 5 requires meter access by rural electric cooperative personnel at all times.

This is accomplished by the member providing the REMC:

- (i) mounting of the meter outdoors only
- (ii) stable mounting supports for meter bases
- (iii) easy access to the meter for reading, testing and repairs.

BILL INQUIRIES AND REVIEW

A member of Miami-Cass REMC may request review or inquiry of any bill that is not delinquent, provided disconnection action is not pending, or any other matter relating to the billing or service. The member may make this request in person, in writing, or by telephone. The member shall state at minimum, the electric account holder's name, service address, and the general nature of the inquiry.

Miami-Cass REMC will promptly and thoroughly investigate the request and will notify the member of the proposed disposition within five (5) working days of the initial notification. Filing of a review or inquiry does not relieve the member from payment of the bill or a portion thereof as described below.

If the member is receiving service at the time the request is made, the member's service shall not be disconnected until reasonable time for notification has elapsed from the date of mailing of the disputed bill. If there is disagreement as to what portion of the bill is undisputed, it shall be sufficient that the member pay on the disputed bill, an amount equal to his/her average bill for three (3) months immediately preceding the disputed bill.

REQUESTS FOR METER TEST

In the event a member would request that his/her meter be tested, this request must be made in

writing. After the meter is tested and found to be within normal limits (plus or minus 2%) the member cannot request another test for twelve (12) months. However, after twelve (12) months the member may request in writing a second test. If on the second test the meter is found to be within normal limits (plus or minus 2%) the member cannot request another test for thirty-six (36) months unless the member elects to bear the full cost of the meter tests during that period.

After each test the member will receive a written report giving the complete results of the test and a copy of the test will be on file in the office.

Should the meter be found more than plus or minus two percent out of adjustment, the billings will be corrected up or down based on the amount of error detected. In case any error is detected, no more than the past twelve (12) months of billings shall be corrected.

DISCONNECTION OF SERVICE

When a member receiving electrical service under the residential rate tariff requests disconnection of service, the member shall notify Miami-Cass REMC's office at least three (3) days in advance of the day disconnection is desired. The member shall remain responsible for all service used and the billings therefore until service is disconnected pursuant to such notification. Miami-Cass REMC must disconnect service within three (3) working days of the requested disconnection date and the member shall not be liable for any service rendered after the expiration of the three (3) such days.

Miami-Cass REMC may disconnect service without the member's request and without prior notice only:

- (i) if a condition dangerous or hazardous to life, physical safety or property exists; or
- (ii) upon order by any court or other duly authorized public authority; or
- (iii) if fraudulent or unauthorized use of electricity is detected and Miami-Cass REMC has reasonable grounds to believe the affected member is responsible for such use; or if the REMC's regulating or measuring equipment has been tampered with and they have reasonable grounds to believe that the affected member is responsible for such tampering.

Electric service to a member may be disconnected for non-payment if a bill remains unpaid 31 days after the date of original mailing. Before service is disconnected, a member will be notified on the regular bill of the final due date for the past due balance forward. If the balance forward is not paid by the final due date, service is then subject to disconnection for non-payment. If an REMC employee arrives at the premises of the member for the purpose of disconnection, they will identify themselves and explain the purpose of their presence. The employee will have information in their possession to explain the reason for the disconnection. In order to avoid disconnection the member must pay the balance forward along with the collection fee. If the service is disconnected for non-payment, the balance forward, along with both the collection fee and reconnection fees must be paid before service can be restored. (The collection fee and reconnection fees have been approved by the board of directors.) Once payment has been made, service will be reconnected as soon as possible or at least within one (1) working day. Miami-Cass REMC normally schedules disconnections for non-payment between the hours of 8 a.m. and 3 p.m. (prevailing local time) and does not normally perform disconnections for non-payment beyond twelve o'clock noon (12:00 noon) of the day immediately preceding any day on which the REMC is not open.

Electric service to a member shall not be disconnected for ten (10) days if the member provides the REMC with a medical statement from a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health or safety of the member or a designated person in the household of the member. The postponement of the disconnection shall be continued for no more than one (1) additional ten (10) day period upon the provision of an additional such medical statement.

The member may not be disconnected for their failure to pay for merchandise that was purchased from Miami-Cass REMC, or upon failure to pay for electric service rendered at a different metering point if such bill has remained unpaid for less than forty-five (45) days, or upon their failure to pay for services to a previous occupant of the premises to be served, or if (prior to the final due date) a member shows sufficient cause for their inability to pay the full amount due (extreme financial hardship shall constitute cause, subject to review by the REMC), and the member:

- (i) pays a reasonable portion of the bill (as determined by the REMC) and
- (ii) agrees to pay the remainder of the outstanding bill by making monthly payments over the next three (3) months; and
- (iii) agrees to pay all undisputed future bills for service as they become due; and
- (iv) has not breached any similar agreement with Miami-Cass REMC made pursuant to this rule within the past twelve months.

The REMC may add to the outstanding bill, a late payment not to exceed the amount set by current REMC rules. The above terms of agreement shall be put in writing by the REMC and signed by the member and by a representative of Miami-Cass REMC.

Miami-Cass REMC will not disconnect a member that is unable to pay a bill which is unusually large due to a prior incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection or functioning of the meter, prior estimates where no actual reading was taken for over two months, stopped or slowed meters, or any human or mechanical error of the REMC, and the member:

- (i) pays a reasonable portion of the bill (as determined by the REMC) not to exceed an amount equal to the customer's average bill for the three (3) months immediately preceding the bill in question;
- (ii) agrees to pay the remaining at a reasonable rate; and
- (iii) agrees to pay all undisputed future bills for service as they become due.

The REMC may not add to the outstanding bill any late fee and the terms of the agreement shall be put in writing by the REMC and signed by the member and a representative of Miami-Cass REMC.

EXTENSION OF DISTRIBUTION LINES

When an application is received requesting electrical service, whether overhead or underground construction, Miami-Cass REMC will estimate the cost of required construction. Also, an estimate will be made as to the three (3) years expected revenue from permanent and continued use by the member requesting electrical service.

If the estimated construction costs exceed the estimated revenue, the member will be required to sign a three (3) year contract. The REMC will provide the electric meter, the proper size

transformer based on engineering data, and up to 150 feet of secondary wire for construction. Costs for construction will be amortized over a period of thirty-six (36) months. The consumer's monthly bill will be computed on a thirty-six (36) month basis or installed transformer KVA capacity, whichever is larger. Members should consult with the REMC for options available for the installation of service lines.



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