

**BYLAWS  
OF  
ROUGH RIDER ELECTRIC COOPERATIVE, INC.**

**ARTICLE I**

**MEMBERSHIPS**

**SECTION 1. Requirements for Membership.**

(a) Any domestic or foreign person, cooperative, business or non-profit corporation, sole proprietorship, unincorporated association, limited liability company, partnership, trust, estate, and any local, regional, or state government or agency or division thereof, and the federal government or agency and division thereof may become a member in Roughrider Electric Cooperative, Inc. (hereinafter called the "Cooperative") if such person or entity:

- (i) Is a person or entity capable of contracting;
- (ii) Files a written application for membership; and
- (iii) Is formally accepted for membership by the Board of Directors.

The Board of Directors may waive the requirements of subsection (ii) and impose such other conditions as it determines necessary or desirable if such person or entity refuses, is unable to or neglects to file a written application for membership but consumes, receives, purchases or otherwise uses any electric energy or utility service provided by the Cooperative.

(b) Any such person or entity, by becoming a member in the manners so provided, agrees to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors.

(c) No member may hold more than one membership in the Cooperative.

(d) No membership in the Cooperative may be sold, purchased, assigned, disposed of, acquired or otherwise transferred except as provided in these Bylaws.

**SECTION 2. Joint Membership.** Up to five natural persons 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 include up to five natural persons holding a joint membership and any provisions relating to the rights and liabilities of membership, and except as modified below or by policy of general application, shall apply equally with respect to the holders of joint membership.

The effect of a joint membership shall be as follows:

- (a) The presence at a meeting of any or all shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting.
- (b) A waiver signed by any or all shall constitute a joint waiver.
- (c) Notice to any shall constitute notice to all.
- (d) A joint member shall jointly have one vote and the casting of that vote shall be deemed agreement by all to the vote so cast.
- (e) Termination of the membership of a joint member shall terminate the joint membership when the result is that there is one remaining member.
- (f) Any but not all may be elected or appointed as a member of the Board of Directors or other committee of the Board at any one time, provided that both meet the qualifications for such office.
- (g) The membership shall be held as tenants in common not as joint tenancy with the right of survivorship.
- (h) Upon the eligibility of any natural person for the retirement of capital credits, the capital credits of the membership shall be paid in accordance with the provisions of these Bylaws and policies of general application, however if eligibility for the retirement of capital credits is based upon achieving a certain age or death, either achieving that age or dying will entitle the capital credits of the membership to be paid in accordance with the provisions of these Bylaws and policies of general application.

**SECTION 3. Conversion of Membership.** A membership may be converted to a joint membership upon written application by the current member for joint membership in compliance with the requirements set forth in Section 1 of this Article, the agreement of the prospective joint member(s), and the fulfillment of such other terms and conditions as may be determined by the Board of Directors.

**SECTION 4. Termination of Membership.**

- (a) Any member may terminate his, her or its membership upon compliance with such terms and conditions as the Board of Directors may determine.
- (b) If a member shall have been given written notice by the Secretary that a failure listed below makes him, her or it liable to expulsion and such failure shall have continued for at least ten days after such notice was given, the Board of Directors, by the affirmative vote of not less than two-thirds of all the Directors, may terminate the membership of any member who fails to:
  - (i) Purchase from the Cooperative, as soon as electric energy or other utility service shall be available, all electric energy or other utility service used

on or delivered to the premises specified in his, her or its application for membership;

(ii) Pay for electric energy or other utility service used on or delivered to the premises specified in his, her or its application for membership at rates, times and conditions which shall be determined by the Board of Directors; or

(iii) Abide by the Articles of Incorporation and Bylaws of the Cooperative and any policies, rules and regulations adopted by the Board of Directors including but not limited to any such established for production of energy interconnected with the Cooperative's facilities; use of electric energy or other utility service on the premises; minimum charges for service; and the assessment and use of deposits, dues, membership fees, contributions or other charges.

(c) Upon the death of a natural person or cessation of existence of an entity, the membership of such member shall terminate.

(d) Termination of membership in any manner shall not release a member or his, her or its estate from any debt to the Cooperative.

## ARTICLE II

### MEETING OF MEMBERS

#### **SECTION 1. Annual Meeting of Members.**

(a) The first annual meeting of members shall be held in June of 2008 at a location within one of the counties served by the Cooperative and at such specific place, date and time determined by the Board of Directors not less than thirty days prior to such meeting. Each year thereafter the annual meeting of members shall be held between June 1 and November 30 at a place within one of the counties served by the Cooperative and at such specific place, date and time determined by the Board of Directors not less than ninety days prior to such meeting.

(b) The first annual meeting of members shall be to consider and act upon reports for the time since incorporation and to transact such other business as may correctly come before the meeting. Each annual meeting of members thereafter shall be to elect Directors, to consider and act upon reports for the previous fiscal year and to transact such other business as may correctly come before the meeting.

(c) Failure to hold an annual meeting of members at the designated time shall not work a forfeiture or dissolution of the Cooperative.

**SECTION 2. Special Meetings.** Special meetings of members may be called at such date as will enable due notice, at a location within one of the counties served by the Cooperative, and at such time as specified in the request, if requested in writing by:

- (a) Resolution of the Board of Directors.
- (b) Any three Directors.
- (c) The President.
- (d) Ten per centum or more of all the members.

Upon the happening of any such event the Secretary shall cause notice of such meeting to be given as provided in Section 3 of this Article.

**SECTION 3. Notice of Members' Meetings.** Notice stating the place, day and time of all meetings authorized by this Article and, in case of a special meeting or an annual meeting of members 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 or more than thirty days before the date of the meeting 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. Notice may be provided to a member via electronic means, if agreed to by the member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, or given to a private carrier, addressed to the member at his address as it appears on the records of the Cooperative with postage or delivery fee thereon prepaid. The failure of any member to receive notice of an annual or special meeting of members shall not invalidate any action which may be taken by the members at any such meeting.

**SECTION 4. Quorum.** Fifty members:

- (a) Present in person, or
- (b) If an entity, present through a voting delegate qualified by procedures determined by the Board of Directors, or
- (c) Voting by mail, or
- (d) Any combination thereof.

shall constitute a quorum. If less than a quorum is present, a majority of those present may adjourn the meeting without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting as provided in Section 3 of this Article.

**SECTION 5. Voting.** Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person or by mail, except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

**SECTION 6. Credentialing, Proxies, Attendance and Voting by Mail.**

(a) Voting by proxy shall not be permitted.

(b) To be eligible to vote at any meeting of the members, a member must be present at such meeting in person, except as hereafter provided.

(c) The Board of Directors may permit voting by mail, provided all members are given notice in the manner provided in Section 3 of this Article delivered at least fifteen days prior to the date the ballot is to be tallied of the exact motion or resolution upon which such vote is to be taken. The failure of any member to receive the notice shall not invalidate any action that may be taken as a result of the vote. Such vote shall be conducted in accordance with the rules governing the conditions, manner and form of such vote and resolution of disputes pertaining thereto as may be prescribed by law and/or determined by the Board of Directors.

(d) The Board of Directors may determine the manner of conducting member registration, balloting, vote counting and to pass on questions that may arise with respect to the establishment of a quorum, and voting at any meeting of members.

### **ARTICLE III**

#### **DIRECTORS**

##### **SECTION 1. General Powers.**

(a) The business and affairs of the Cooperative shall be managed by a Board of Directors which 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. Without limiting the generality of the foregoing, the Board of Directors shall have power to incur liabilities, borrow money, and increase the indebtedness of the Cooperative, in accordance with general law.

(b) The Board of Directors shall have the power to make such determinations or enact such rules, regulations and policies 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 Cooperative. Once made, those determinations and policies, including those specifically authorized by the Bylaws, may be amended or repealed in whole or in part by the Board of Directors.

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

(d) The powers, duties, and compensation of agents and employees shall be fixed by the Board of Directors.

**SECTION 2. Election and Tenure of Office.**

(a) The persons named as Directors in the Articles of Incorporation shall compose the initial Board of Directors until successors have been elected and qualified as provided herein.

(b) At the annual meeting of members to be held in June 2009, only two directorships from each district shall be declared vacant. Two incumbent directors from each district, determined by agreement of all of the Directors from each district, or by lot in the absence of agreement, will be candidates for election from each district. In the Central District, one incumbent director from the former West Plains board and one incumbent director from the former Oliver-Mercer board shall be so chosen. In addition, qualified candidates may be nominated by the Nominating Committee. The candidate from each district receiving the highest number of votes will be elected for a term of three years. The candidate from each district receiving the next highest number of votes will be elected to a term of two years. The Directors so chosen will hold office for such term or until his or her successor has been elected and qualified. For all districts, if there are more candidates for the position than two and one or both incumbent directors loses, that incumbent will lose his or her seat on the Board of Directors. Any incumbent director not running for re-election in 2009 will retain his or her seat until the election in 2010.

(c) At the annual meeting of members to be held in June 2010, only one directorship from each district shall be declared vacant. The Nominating Committee shall nominate at least one qualified candidate from each district. The candidate receiving the highest number of votes shall be elected for a term of three years. The directors so chosen shall hold office for such term or until his or her successor has been elected and qualified.

(d) If an election of Directors shall not be held on the day designated herein for the annual meeting of members, or at any adjournment thereof, the Board of Directors shall cause the election be held at a special meeting of the members to be held as soon thereafter as conveniently may be.

(e) Directors may be elected by a plurality vote of the members present and voting.

(f) Directors resigning before the annual meeting of members in 2010 need not be replaced, as long as the number of directors within a district shall then not be less than three. However, the terms of all directors of the initial Board of Directors who have not stood for election and been elected in either 2009 or 2010 shall expire at the annual meeting in 2010.

**SECTION 3. Qualifications of Directors.**

(a) In order to insure adequate representation of the interests of the members, to allow for efficiency of operation, and to provide flexibility to meet future needs the area served by the Cooperative may be divided into such number of districts as the Board of Directors shall determine, but in no event less than three and no more than nine districts.

(b) The Board of Directors is permitted to annex a portion of one district to another or to otherwise increase or decrease the geographic size of a district provided such action will not eliminate an existing directorship prior to the expiration of a director's term or shorten a seated director's term.

(c) The districts, until changed from time to time by resolution of the Board of Directors shall be named and described as follows:

(i) The Western District shall be all members whose residence, or in the case of an entity, whose principal place of service is located west of North Dakota Highway 22.

(ii) The Central District shall be all members whose residence, or in the case of an entity, whose principal place of service is located east of North Dakota Highway 22 and west of North Dakota Highway 49 as extended north along County Road 21 and then along the west boundary line of sections 4 and 9 in TWN 146 N, R87 W Mercer County, ND to the south shore of Lake Sakakawea.

(iii) The Eastern District shall be all members whose residence, or in the case of an entity, whose principal place of service is located east of North Dakota Highway 49 as extended north along County Road 21 and then along the west boundary line of sections 4 and 9 in TWN 146 N, R87 W Mercer County, ND to the south shore of Lake Sakakawea.

(d) After the election of 2010, the Board of Directors shall number nine, consisting of three directors from each district serving staggered terms of three years each, with the term of one director from each district expiring at each annual meeting after 2010. In the event the Board of Directors increases or decreases the number of districts, the Board of Directors will be entitled to determine how many persons will be seated from each district, provided such action will not violate the provisions of Section 3 (a) and (b) and provided further that the number of directors from each district shall not be less than two.

(e) No person shall be eligible to become or remain a Director unless such person shall be a member of the Cooperative and a bona fide resident of the district from which such director is to be seated.

(f) In addition to the foregoing qualifications, no person shall be eligible to become or remain a Director who:

(i) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical appliances, fixtures or supplies or appliances, fixtures and supplies used by any other type of utility service that is or could be operated by the Cooperative to the members of the Cooperative.

(ii) Is a present employee of or employee who has retired from or been terminated by the Cooperative.

(iii) Violates any legal qualification for such office determined by the Board of Directors

(g) No violation of any provision of this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

#### **SECTION 4. Nominations.**

(a) A Nominating Committee shall be selected by the Board of Directors in time for its first meeting to be held before the annual meeting of members in 2009 and for each annual meeting of members thereafter. The Nominating Committee shall consist of an equal number of members from each of the Cooperative's districts and a minimum of two members from each district shall be selected. No member of the Board of Directors may serve on the Nominating Committee. The Board of Directors shall establish rules for the conduct of and arrange for the meeting of the Nominating Committee. The Secretary shall notify the members of the Nominating Committee in the manner provided by Article II, Section 4 3 delivered at least fifteen days before the date set for the Committee meeting. From and after 2009, the Nominating Committee shall meet at least sixty days before the annual meeting of members to nominate at least one qualified candidate for each directorship for which there is a vacancy to be filled by a vote of the members. Upon conclusion of the meeting, the Nominating Committee shall cause a list of nominees for Directors to be posted at the principle office of the Cooperative.

(b) By petition, any fifteen or more members of the same district acting together may make other nominations for each directorship in that district for which there is a vacancy to be filled by a vote of the members, provided that the petition is filed with the Secretary not less than sixty days prior to the annual meeting of members. The Secretary shall cause to be posted such nominations at the same place where the list of nominations made by the committee is posted.

(c) The Secretary shall cause to be mailed, with the notice of the annual meeting of members, or separately but at least fifteen days before the date of the meeting, a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the Nominating Committee and also the nominations made by petition, if any.

(d) Unless voting by mail for directorships has been approved, the President, acting as Chairman of the meeting, shall invite additional nominations from the floor and nominations shall not be closed until a reasonable time has passed during which no additional nominations have been made. No member may nominate more than one candidate at any single annual meeting of members.



## **SECTION 5. Removal of Directors by Members.**

(a) Any member may request removal of one or more directors for an act or omission which directly relates to the official duties of the Director(s) for the Cooperative (hereafter "charge(s)").

(i) A member bringing a charge or charges shall file with the Secretary such charge(s) in writing together with a petition signed by at least ten per centum of the total number of members certified for the purposes of determining a quorum for the last meeting of members. Each page of the petition shall, clearly and completely at the top thereof state: the name(s) and address(es) of the member(s) filing such charge(s); a verbatim statement of such charge(s); and the name(s) of the Director(s) against whom such charge(s) is (are) made. Each member signing the petition shall do so in the exact same name as he, she or it is billed by the Cooperative and shall state the signatory's exact address as the same appears on such billings. A signature purported to be of a member who is a legal entity and not a natural person must also show the name, address and authority of the person signing the petition for the entity.

(ii) Within fifteen days of the date of filing of the petition, the Chief Executive shall certify to the Secretary, in writing the number of qualified members properly signing each proper petition in conformance with Section 5 of this Article and the total number of members certified for determining a quorum for the last meeting of members. The Chief Executive shall concurrently give notice, by copy of his certifications, to the Director(s) against whom such charge(s) is (are) made and the member(s) filing the charge(s). Any dispute concerning the Chief Executive's certifications shall be in writing and filed, within fifteen days of the date of the Chief Executive's notice, with the Secretary, stating with particularity the reason(s) therefore.

(iii) Upon filing of a dispute concerning certification, the dispute shall be deemed submitted to and shall be resolved within fifteen days by the majority vote of members of the Board of Directors against whom no petition has been filed whether or not such number shall constitute a quorum. Such action by the Board of Directors shall be final, unless fraudulent. In the event charge(s) are filed against all Directors, or in lieu of action by the members of the Board of Directors against whom no petition has been filed within fifteen days after the date of submittal to the Board of Directors; or in the event no dispute is filed with the Secretary, the certification of the Chief Executive shall be final, unless fraudulent.

(iv) Within fifteen days of the expiration of the time for filing certification disputes or within fifteen days of the certification of the Chief Executive becoming final, whichever is later, the member(s) filing the charge(s) and the Director(s) against whom the charge(s) is (are) made shall be notified in writing if the petition contains sufficient signatures hereunder and, if so, shall be notified of the charge(s) to be heard; the names and addresses of the members

filing and signing the same; and the date, place and time of hearing thereon; and the rules of evidence to be used at the hearing as determined by the majority vote of members of the Board of Directors against whom no petition has been filed, whether or not such number shall constitute a quorum. In the event charge(s) are filed against all Directors such rules shall be determined by the Chief Executive.

(v) The charges shall be heard before the members at the next annual meeting of members, unless a special meeting is called pursuant to Article II, Section 2; provided that said meeting shall not be held less than thirty days after the date of the written notice of the date, place and time thereof.

(vi) The hearing shall be conducted by the President or if (a) charge(s) is (are) to be heard concerning him, by the Vice President, or by the Secretary or by the Treasurer, in that order, or if charge(s) is (are) filed against all such officers, by such other Director as the remaining Directors shall choose, or if charge(s) is (are) filed against all Directors or in lieu of selection by remaining Directors, by the Chief Executive.

(vii) The Director(s) against whom the charge(s) is (are) made shall have the opportunity to be heard at the meeting in person, by witnesses, by counsel or any combination of such; to present evidence in respect to the charge(s) and to address the members personally or through a representative at the conclusion of all evidence. The person(s) filing such charge(s) shall have the same opportunity but must be heard first. In no event shall rebuttal evidence in any form nor questioning nor examination of such Director(s), witness(es) or counsel be permitted. In the event charges are filed against more than one Director, the order of hearing of said charges shall be determined at the hearing by lot and the evidence concerning and vote on the question of removal of the first Director shall be completed before proceeding to the next Director charged; providing however that the question of removal shall not be voted upon at all unless evidence of the charge(s) shall have been presented at the meeting by at least one of the person(s) filing the charge(s).

(viii) Voting by mail shall not be permitted on the question of director removal. The question of removal shall require an affirmative vote of 60% or more of the total number of members present at the meeting of members. In the event that sufficient members shall not be in attendance at the time and place set for the meeting to make a quorum, it shall be adjourned and the proceedings against any or all Directors terminated. Another meeting to hear charges against the Director(s) may not be scheduled pursuant to any new petition filed against the Director(s) against wherein proceedings have been terminated for a period of nine months thereafter.

(ix) Any decision on a question of removal taken at a meeting of members is final, unless fraudulent and is not appealable to any court for any reason.

(b) Upon establishment of the fact that a Director is holding office in violation of Section 3 of this Article, the Board of Directors shall remove such Director from office.

(c) Any vacancy created by the removal of a Director shall be filled in accordance with the provisions of Section 6 of this Article.

**SECTION 6. Vacancies.** Except as provided in subsection 2(f) of this Article a vacancy occurring in the Board of Directors shall be filled within a reasonable time by the affirmative vote of a majority of the remaining Directors, whether or not a quorum, for the unexpired portion of the term, unless all Directors are removed pursuant to Section 5 of this Article, in which event all vacancies created by such removal may be filled by the majority vote of the members at the meeting called to hear and act upon the removal charges; and, in such event, all nominations shall be made from the floor. Nothing in this section nor in these Bylaws shall be construed as requiring a vacancy to be filled should the Board of Directors, by affirmative vote of the remaining Directors, whether or not a quorum, determine that it is in the best interests of the Cooperative to reduce the number of districts as it is empowered to do by the Articles of Incorporation and by this Article III.

**SECTION 7. Compensation.** Directors shall not receive any salary for their services as Director, except that Directors may be paid a fixed sum plus expenses of attendance, if any, for each day or portion thereof spent in Cooperative's business, such as attendance at meetings, conferences, and training programs or performing committee assignments. No Director shall receive additional compensation for service on the Board of Directors or to the Cooperative in any other capacity unless the Board determines that:

(a) Directors are to be allowed to participate in benefit programs not based on salary, offered by the Cooperative to its employees.

(b) Officers of the Cooperative or other Directors are to be granted a larger fixed sum for special recurring services as Officers or Directors to the Cooperative.

Except in an emergency certified by the Board of Directors, no close relative of a Director shall receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members. The definition of "close relative" is to be determined by the Board.

## ARTICLE IV

### MEETINGS OF DIRECTORS

**SECTION 1. Regular Meetings.** A reorganizational meeting of the Board of Directors shall be held without notice, immediately after, and at the same place as, the annual meeting of members. Regular meetings of the Board of Directors shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board of Directors. Such regular monthly meetings may be held without notice other than Board of Directors' designation of the time and place thereof during at meeting at which all members of the Board of Directors are present.

**SECTION 2. Special Meetings.** Special meetings of the Board of Directors may be called by the President or by any three members of the Board of Directors who shall also fix the time, place within one of the counties served by the Cooperative and purpose for holding the meeting.

**SECTION 3. Notice of Directors' Meetings.** 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 24 hours previous thereto 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 or given to a private carrier, addressed to the Director at his address as it appears on the records of the Cooperative, with postage or delivery fee thereon prepaid.

**SECTION 4. Quorum.** A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Directors is 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 within one of the counties served by the Cooperative of such adjourned meeting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise permitted or prohibited by these Bylaws.

**SECTION 5. Participation by Electronic Communications.** A Director may participate in a Board meeting by any means of communication through which the Director, other Directors so participating and all Directors physically present at the meeting may simultaneously hear each other during the meeting. A Director so participating shall be deemed present in person at the meeting. A meeting of the Directors may be held solely by any combination of means of remote communication through which the participants may participate in the meeting if notice of the meeting is given to every Director entitled to vote as would be required for an in-person meeting.

In any meeting of Directors held solely by means of remote communication, or in any meeting of Directors held at a designated place in which one or more members participate by means of remote communication, the Cooperative shall implement reasonable measures to comply with North Dakota Century Code § 10-32-43.2(3).

## ARTICLE V

### OFFICERS

**SECTION 1. Number.** The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

**SECTION 2. Election and Term Office.** The officers shall be elected by ballot annually by and from the Board of Directors at the reorganizational meeting of the Board of Directors. 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 next

reorganizational meeting of the Board of Directors or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled within a reasonable time by the Board of Directors for the unexpired portion of the term.

**SECTION 3. Removal of Officers.** Any officer of the Cooperative may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer in the same manner and the Cooperative shall follow the same procedure set forth in Article III, Section 5 (a) except that “meeting of members” shall everywhere be amended to read “meeting of the Board of Directors”; and Article III, Section 5 (a) (viii) shall be amended in the case of an officer to delete the current language and insert in its place the following language, “The question of removal shall be determined by the majority vote of members of the Board of Directors against whom no petition has been filed, whether or not such number shall constitute a quorum.”

**SECTION 4. President.** The President shall:

(a) Be the principle executive officer of the Cooperative and unless otherwise determined by the members, the Board of Directors, or these Bylaws shall preside at all meetings of the members and the Board of Directors;

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

(c) In general 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 the 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 or cause to be kept the minutes of the meeting of the members and of the Board of Directors;

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

(c) Have custody of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with law or these Bylaws;

(d) Keep or cause to be kept a register of the names and post office addresses of all members, as such addresses are furnished to the Cooperative by such members;

(e) Keep or cause to be kept a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto and at the request of any member, furnish to such member a copy of these Bylaws and all amendments thereto; and

(f) 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 Cooperative;

(b) Receive or arrange for the receipt of all monies due and payable to the Cooperative and deposit and invest or arrange for or cause to be deposited and invested all such monies in the name of the Cooperative in accordance with the provision 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. Bonds of Officers.** The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with surety as the Board of Directors shall determine. The Board of Directors may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

**SECTION 9. Reports.** At each annual meeting of members, the officers of the Cooperative shall submit reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**SECTION 12. Delegation of Officer's Responsibilities.** As determined by the Board of Directors, the duties, responsibilities and authorities of any officer may be delegated wholly or in part, to one or more agents or employees of the Cooperative who are not Directors. To the extent that the Board of Directors does so delegate, that officer shall be released from such duties, responsibilities and authorities.

## ARTICLE VI

### DISPOSITION OF REVENUES AND RECEIPTS

**SECTION 1. Nonprofit and Cooperative Operation.** At all times, the Cooperative shall be operated on a Cooperative nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 2. Allocating Capital Credits.**

(a) In the furnishing of electric energy or other utility services the Cooperative's operations shall be conducted so that all members and any other person using services to whom the Cooperative is obligated to allocate capital credits (hereafter called "patrons"), will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from operating revenue attributable to each service of the Cooperative in excess of operating costs and expenses fairly attributable to such 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 as capital by the patrons. 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 in proportion to the amounts of their respective purchases of services from the Cooperative during the fiscal year, as hereinafter provided. 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, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his 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 a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

(b) Insofar as permitted by law and determined by the Board of Directors, some or all of the Cooperative's non-operating margins may be:

- (i) Used to offset any losses incurred during the current or any prior fiscal year;
- (ii) Credited to a general unallocated reserve;
- (iii) 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; or
- (iv) Used for any other lawful purpose.

**SECTION 3. Assignment of Capital Credits.** Unless the Board of Directors shall determine otherwise, capital credited to the account of each patron shall be assignable on the books of the Cooperative only:

- (a) Pursuant to written instruction from the assignor;

(b) To successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative; and

(c) From a natural person to another natural person or to an entity; or

(d) From an entity to another entity.

#### **SECTION 4. Retirement of Capital Credits.**

(a) Notwithstanding any other provision of these Bylaws and provided that the financial condition of the Cooperative will not be impaired thereby, the Board of Directors shall have the power to provide for the general retirement of some or all of the capital credits allocated to patrons or former patrons.

(b) Notwithstanding any other provision of these Bylaws and provided that the financial condition of the Cooperative will not be impaired thereby, the Board of Directors shall have the power to provide for a special method, basis, priority, discount or other means of retirement of some or all of the capital account credited to any patron or former patron prior to the time such capital would otherwise generally be retired. The Board of Directors may create one or more classes of capital credits or capital accounts or enact policies governing special retirement to a patron or former patron:

(i) Regardless of the fiscal year in which the patron furnished the capital.

(ii) Who was a natural person and who has died, if a qualified representative of the patron's estate shall request in writing that the capital credited to the deceased patron be retired and agrees to the conditions for payment of the same.

(iii) Who is a natural person and who has or will in the year of retirement achieved the age of seventy-two years (or such younger age as the Board shall determine) and who agrees to the conditions for payment of the same.

(iv) Whose account is delinquent to satisfy the delinquency or so much thereof as may be.

(v) Who accepts discharge of the remainder of the capital credited to the patron's account by payment of only a portion of the account; or

(vi) In any other manner permitted by law.

Notwithstanding the foregoing, however:

(vii) All retirements made under the provisions of Section 4 (b)(ii) through (b)(iv) of this Article may be discounted to present value in such manner and using such formulae as the Board of Directors may determine.

(viii) There shall be no retirement of capital credits made under the provisions of Section 4 (b)(ii) and (b)(iii) of this Article to a patron or former patron who is a legal entity and not a natural person despite the age, insolvency, dissolution or cessation of existence of such entity.



**SECTION 5. Power Supplier's Capital Credits.** The Board of Directors shall have the power to adopt rules providing for the separate method, basis, priority, discount or other means of retirement, if any, of that portion (power supply portion) of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules may:

- (a) Establish the method for determining the power supply portion of capital credited to each patron for each applicable fiscal year;
- (b) Provide for separate identification on the Cooperative's books of the power supply portion of the capital credited to the Cooperative's patrons;
- (c) Provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts; and
- (d) Provide for the power supply portion of capital credited to patrons for any fiscal year to not be retired, when other capital credited for the same fiscal year is retired.

**SECTION 6. Unclaimed Capital Credits.** Notwithstanding any other provision of these Bylaws, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative for the period set by law for such payment to be eligible for surrender as unclaimed property after payment has been made available to the patron or former patron by means of mailing the capital credits check or other payment to the patron or former patron's last address furnished by such patron or former patron to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift to the Cooperative by such patron or former patron of such capital credit or other payment. Failure to claim any such payment within the meaning of this Section shall include the failure by such patron or former patron to cash any check mailed by the Cooperative to the last address furnished by the patron or former patron to the Cooperative. The assignment and gift provided for under this Section shall become effective only upon satisfaction of such procedures as are established by law for surrender of unclaimed property and as may be established from time to time by the Board of Directors.

## **ARTICLE VII**

### **DISPOSITION OF PROPERTY**

**SECTION 1. Transfer of Assets.** The Cooperative may not sell, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition or encumbrance shall have been contained in the notice of the meeting, provided, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon or the pledging or encumbering of, any 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 and income therefrom, all upon such terms and conditions as the

Board of Directors shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof or to any other lender, public or private; provided further that the Board of Directors may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another Cooperative or a foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated, or to the holder or holders of any notes, bonds or other evidences of indebtedness issued to United States of America or any agency or instrumentality thereof.

**SECTION 2. Distribution of Cooperative Assets Upon Dissolution.** In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. Any retirements of capital furnished prior to January 1, 1997 in the case of former patrons of West Plains Electric Cooperative, Inc. and August 26, 1986 in the case of former patrons of Oliver Mercer Electric Cooperative, Inc. shall be made in 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. On or after such dates for such patrons, the Board of Directors shall determine the method, basis, priority, discount or other means of retirement, if any, for all amounts thereafter furnished as capital.

**SECTION 3. Property Interest of Members.** In the event of dissolution of the Cooperative, each member, including former members, shall receive his proportionate share of the Cooperative's property and assets based upon patronage, insofar as is practicable, after paying or providing for the payment of all debts of the Cooperative.

## ARTICLE VIII

### SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal, North Dakota."

## ARTICLE IX

### FINANCIAL TRANSACTIONS

**SECTION 1. Contracts.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any 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 evidence of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be specified by resolution of the Board of Directors.

**SECTION 3. Deposits and Investments.** 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 or in such securities, investment vehicles, companies, institutions or depositories as the Board of Directors may select.

**SECTION 4. Accounting System and Reports.**

(a) The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America.

(b) After the close of each fiscal year, the Board of Directors shall cause a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of the fiscal year to be made by a certified public accountant. A report of such audit shall be submitted to the members at the next following annual meeting.

**SECTION 5. Interests in other entities.** Provided that the same are reasonably related to the purposes for which the Cooperative was formed the Board of Directors may authorize the Cooperative to:

(a) Purchase, lease, option or otherwise contract to own any real property; and

(b) Grant funds to, loan to, act as surety for, underwrite, own, invest in or enter into limited or general partnerships, joint ventures, cooperative organizations, business or non-profit corporations, sole proprietorships, unincorporated associations, limited liability companies or trusts or securities issued by the same.

**SECTION 6. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

**ARTICLE X**

**MISCELLANEOUS**

**SECTION 1. 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 at any meeting shall constitute a waiver of notice of such meeting by such 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 2. Indemnification of Directors and/or Management Personnel.**

(a) The Cooperative shall indemnify, to the fullest extent authorized by law at the time the first act giving rise to the duty to indemnify occurred, any present or former Director or Chief Executive against judgments, penalties, fines (including, without limitations, excise taxes assessed against such person with respect to an employee benefit plan), settlements, and reasonable expenses (including, without limitation, attorneys' fees and disbursements) incurred by such person while such person is or was serving as a Director, or Chief Executive of the Cooperative or is or was serving at the request of the Cooperative in another capacity.

(b) The Board of Directors is hereby empowered to enact a policy or policies requiring the Cooperative to indemnify any other person to the same or lesser extent than the indemnity granted present and former Directors or Chief Executives.

**SECTION 3. Rules of Order.** Parliamentary procedure at all meetings of members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established, shall be governed by any edition of Robert's Rules of Order designated from time to time by the Board of Directors, except to the extent the procedure contained therein is otherwise determined by law, by the Cooperative's Articles of Incorporation, by these Bylaws, or by the Board of Directors. If no such designation is made such meeting shall be governed by the latest edition of Roberts Rules of Order available to the person conducting the meeting.

**ARTICLE XI**

**AMENDMENTS**

**SECTION 1. Amendments by the Members.**

(a) These Bylaws may be added to, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed addition, amendment, or repeal or an accurate summary explanation thereof.

(b) Any member wishing to offer a proposed amendment may do so upon a petition signed by not less than fifteen members of each district of the Cooperative and filing such proposed amendment with such petition not less than sixty days before the annual or special meeting of members, whereupon the Secretary shall include such proposed amendment or an accurate summary explanation thereof in the Notice of such meeting.

(c) The Members in any special or regular meeting may also institute proposed amendments to these Bylaws which proposed amendments or an accurate summary

explanation thereof shall be included in the Notice of the next succeeding regular or special meeting of members.

**SECTION 2. Amendments by the Board of Directors.**


(a) The Board of Directors may add to, amend or repeal any provision of these Bylaws by a two-thirds vote of the total membership of the Board of Directors, except that the Board of Directors may not so amend Sections 2 and 3 of Article III.

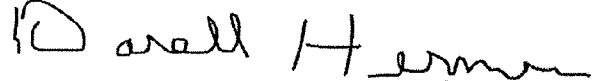
(b) The Board of Directors may also add to, amend or repeal any provision of these Bylaws upon resolution of the Board of Directors presented to the members at a regular or special meeting of members.

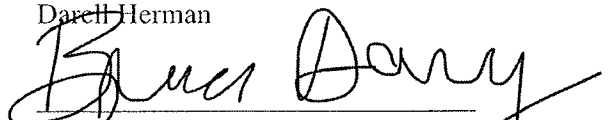
CERTIFICATE

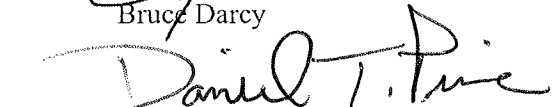
We, the undersigned, being all of the directors of **ROUGH RIDER ELECTRIC COOPERATIVE, INC.**, a Corporation organized under the laws of the State of North Dakota, do hereby certify that the foregoing Bylaws were duly adopted as the Bylaws of this Corporation on the 24th day of April, 2020.

IN WITNESS WHEREOF, we have hereunto set our hands this 24th day of April, 2020.

  
William Retterath

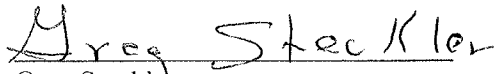
  
Darrell Herman

  
Bruce Darcy


  
Dan Price

  
Roger Kudrna

  
Troy Sailer

  
Greg Steckler

  
Arnold Kainz

  
Callen Schoch