

# BY-LAWS



## THE CANEY VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.

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**THE CANEY VALLEY ELECTRIC  
COOPERATIVE ASSOCIATION, INC.**

**BYLAWS**

**ARTICLE I**  
Members

**Section 1. Qualifications and Obligations.** Any person, firm, corporation or body politic may become a stockholder (hereinafter called “member”) in the Cooperative by: (a) paying the par value for one share of capital stock hereinafter specified; (b) agreeing to purchase from the Cooperative the amount of electric energy as hereinafter specified; and (c) agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Trustees; provided, however, that no person, firm, corporation or body politic shall become a member unless and until his or its share subscription and application for membership (hereinafter called the “application for membership”) has been accepted for membership by the Board of Trustees or the members. At each meeting of the members held subsequent to the expiration of a period of nine (9) months from the date of incorporation of the Cooperative, all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Trustees shall be submitted by the Board of Trustees to such meeting of the members and, subject to compliance by the applicant with the conditions set forth in subdivisions (a), (b) and (c) of this section, such application for membership may be accepted by a vote of the members at such meeting. The secretary shall give any such applicant at least (10) days prior notice of the date of the members’ meeting to which his application will be submitted and such applicant may be present and heard at the meeting. No person, firm, corporation or body politic may own more than one (1) membership or share of capital stock of the Cooperative.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section, provided the husband and wife

comply jointly with the provisions of the above subdivisions (a), (b) and (c).

**Section 2. Membership Fee.** The par value of a share of stock (hereinafter called the “membership fee”) shall be five dollars (\$5). The payment of the membership fee shall make a member eligible for one (1) service connection. An additional fee of five dollars (\$5) shall be paid for each additional service connection requested by a member, but no shares of stock shall be issued for such additional fees.

**Section 3. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises referred to in the application of such member for membership, and shall pay monthly rates which shall from time to time be fixed by resolution of the Board of Trustees; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Trustees shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Trustees, from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

**Section 4. Nonliability for Debts of the Cooperative.** The private property of the members shall be exempt from execution for the debts of the Cooperative and no member shall be individually responsible for any debts or liabilities of the Cooperative.

**Section 5. Expulsion of Members and Surrender of Share Certificates.** The Board of Trustees may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member if such member shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative, these bylaws or any rules or regulations adopted from time to time by the Board of Trustees. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

**Section 6. Withdrawal of Membership.** Any member may withdraw from membership upon payment in full of all liabilities of such member to the Cooperative and upon compliance with such terms and

conditions as the Board of Trustees may prescribe.

### **Section 7. Transfer and Termination of Membership.**

(a) Membership in the Cooperative shall be transferable only under the conditions hereinafter stated. Membership in the Cooperative shall be transferable to any person, firm, corporation or body politic who, or which, is eligible for membership in the Cooperative and becomes a member of the Cooperative under the conditions set forth in these bylaws. Upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall operate as a release of all right, title and interest of the member in the property and assets of the Cooperative; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative.

(b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (b) and (c) of Section I of this article. Such transfer shall be made and recorded on the books of the Cooperative.

(c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

**Section 8. Removal of Trustees and Officers.** Any member may bring charges against an officer or trustee by filing them in writing with the secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or Trustee in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The trustee or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

## **ARTICLE II**

### **Meeting of Members**

**Section 1. Annual Meeting.** (Amended October 25, 1949, and

July 27, 1960). The annual meeting of the members shall be held each year, beginning with the year 1961, at such place as shall be designated in the notice of the meeting for the purpose of electing trustees, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. The trustees shall have the authority to set the time and date and the members shall be notified pursuant to the articles in these bylaws. If the day fixed for the annual meeting be a Sunday or legal holiday, such meeting shall be held on the next succeeding business day. If the election of trustees shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

**Section 2. Special Meetings.** Special meetings of the members may be called by at least three (3) trustees, or upon a written request signed by at least ten per centum (10%) of all 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 the County of Chautauqua in the State of Kansas 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 meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than twenty (20) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members. 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.** As long as the total number of members does not exceed one thousand (1,000), at least fifteen per centum (15%) of the total number present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members provided at least five per centum (5%) of the total number of members

are present in person. In case the total number of members shall exceed one thousand (1,000), then at least one hundred fifty (150) of the members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person or represented by proxy may adjourn the meeting from time to time without further notice.

**Section 5. Voting.** Each member shall be entitled to one (1) vote, and no more, upon each matter submitted to a vote at a meeting of the members. At all meetings of the members of which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon, in person or by proxy, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these bylaws. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote, and no more, upon each matter submitted to a vote at a meeting of the members.

**Section 6. Proxies.** (Amended July 27, 1960, to read "Absent Members Voting.") voting by proxy shall not be permitted, but absent members may vote on specific questions, other than the removal of trustees, by ballots transmitted to the secretary by mail, and such ballots shall be counted only in the meeting at the time at which such vote is taken; provided an exact copy of the motion or resolution upon which such vote is taken is forwarded with and attached to the vote of the member so voting. In determining a quorum for the consideration of a specified question on which votes may have been cast by mail, all members voting by mail shall be counted as present.

**Section 7. Order of Business.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Call of the roll.
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 and acting upon reports of officers, trustees and committees.
5. Election of trustees.

6. Unfinished business.
7. New business.
8. Adjournment.

**Section 8. Rules of Conduct.** (Approved May 5, 1998) Parliamentary procedure at all meetings of the members, of the Board of Trustees, of any committee provided for in these bylaws and of any other committee of the members or Board of Trustees which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Certificate of Incorporation or Bylaws.

### **ARTICLE III** Trustees

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a Board of nine (9) trustees which shall exercise all of the powers of the Cooperative, except such as are by law, or by the Articles of Incorporation of the Cooperative or by these bylaws conferred upon or reserved to the members.

**Section 2. Qualifications and Tenure.** The persons named as trustees in the Articles of Incorporation of the Cooperative shall compose the Board of Trustees until the first annual meeting or until their successors shall have been elected and shall have qualified. The area of operations shall be divided into districts for the purpose of electing trustees to give equitable representation. Each district shall be represented by three trustees:

**District No. 1** Chautauqua County west of Range 11 and Cowley County south of Highways 160, 15 and K38.

**District No. 2** Elk County and Cowley County north of Highways 160, 15 and K38.

**District No. 3** Montgomery and Chautauqua Counties east of Range 10.

Beginning with the Annual Meeting of the members in the year 1973, the Board of Trustees shall be divided in each district and identified by Position One (1), Position Two (2) and Position Three (3). **Position One Trustee** in each district shall be elected at the Annual Meeting of the Members in 1973 for one year, or until their successors shall have qualified, and thereafter Position One Trustee shall be elected at the Annual Meeting of the Members at each third succeeding annual meeting. **Position Two Trustee** in each district shall be elected at the annual meeting of the

members in 1973 to serve for two years, or until their successors shall have qualified, and thereafter Position Two Trustees shall be elected at the annual meeting of the members at each third succeeding annual meeting. **Position Three Trustee** in each district shall be elected at the annual meeting of the members in 1973 to serve for three years, or until their successors shall have qualified, and thereafter Position Three Trustees shall be elected at the annual meeting of the members at each third succeeding annual meeting. No members shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who is not a bonafide resident in the area served by the Cooperative, or who 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 or plumbing appliances, fixtures or supplies to the members of the Cooperative, and no person shall take or hold office as a trustee who is the incumbent or candidate for an elective public office in connection with which a salary is paid. When membership is held jointly by a husband and wife, either one, but not both, may be elected as trustee, provided, however, that neither one shall be eligible to become or remain a trustee or to hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. No member shall be eligible to become or remain a Trustee or to hold any position of trust in this Cooperative who has served three consecutive terms as trustee without a one term layout. (A term shall be designated as three consecutive years.) Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

**Section 3. Nominations.** (Amended May 5, 1998) It shall be the duty of the Board of Trustees to appoint, not less than thirty (30) days nor more than ninety (90) days before the date of a meeting of the members at which trustees are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members, who shall be selected so as to give equitable representation to the area served or to be served by the Cooperative. No officer or member of the Board of Trustees shall be appointed a member of such committee. Said committee shall nominate at least two members as candidates for each trustee to be elected at any annual meeting. The committee shall prepare and post at the principal office of the Cooperative, at least twenty-five (25) days before the meeting, a list of nominations for trustees; but any fifteen (15) or more members may make other nominations in writing over their signatures not less than twenty (20) 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 with the notice of the meeting

a statement of the number of trustees to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. Nothing contained herein shall, however, prevent additional nominations being made from the floor at the meeting of the members. Trustees shall be elected by a majority of the votes cast. Drawing by lot shall resolve, where necessary, any tie vote. The members may, at any meeting at which a trustee or trustees shall be removed, as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of trustees.

**Section 4. Vacancies.** Subject to the provisions of these bylaws with respect to the removal of trustees, vacancies occurring in the Board of Trustees shall be filled by a majority vote of the remaining trustees and trustees thus elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

**Section 5. Compensation.** Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees. Except in emergencies, no trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

**Section 6. Rules and Regulations.** The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**Section 7. Accounting System and Reports.** The Board of Trustees shall cause to be established and maintained a complete accounting system, which, among other things, 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 Utilities Service of the United States of America. All accounts of the Cooperative shall be examined by a committee of the Board of Trustees which shall render reports to the Board of Trustees at

least four (4) times a year at regular meetings of the Board of Trustees. The Board of Trustees shall provide for an annual audit, as of the date as determined and approved by the board. Such audit reports shall be submitted to the members at the following annual meeting.

**Section 8. Change in Rates.** Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

## **ARTICLE IV**

### **Meeting of Trustees**

**Section 1. Regular Meetings.** A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in Chautauqua County, Kansas, as the Board of Trustees may provide by resolution. Such regular monthly meetings 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 Trustees may be called by the President or any three (3) trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix the time and place (which shall be in Chautauqua County, Kansas), for the holding of any special meeting of the Board of Trustees called by them.

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

**Section 4. Quorum.** A majority of the Board of Trustees shall

constitute a quorum for the transaction of business at any meeting of the Board of Trustees, provided that if less than a majority of the trustees are present at said meeting, a majority of the trustees present may adjourn the meeting from time to time without further notice.

**Section 5. Manner of Action.** The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

## **ARTICLE V**

### Officers

**Section 1. Number.** The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may be determined by the Board of Trustees 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 Trustees at the first meeting of the Board of Trustees held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

**Section 3. Removal.** Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the Cooperative will be served thereby.

**Section 4. Vacancies.** Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Trustees for the unexpired portion of the term.

**Section 5. President.** The President:

(a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Trustees;

(b) shall sign, with the secretary, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Trustees, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed,

except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and,

(c) in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Trustees from time to time.

**Section 6. 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 and shall perform such other duties as from time to time may be assigned to him by the Board of Trustees.

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

(a) keep the minutes of meetings of the members and the Board of Trustees 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 Cooperative and see that the seal of the Cooperative is affixed to all documents, the exception of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;

(d) keep a register of the post office address of each member which shall be furnished to the secretary by such members;

(e) (reference to membership certificates repealed May 7, 2002);

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) keep on file at all times a complete copy of the bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of the bylaws and of all amendments thereto to each member; and

(h) 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 Trustees.

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

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in

the name of the cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and

(c) 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 Trustees.

**Section 9. Manager.** The Board of Trustees may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties as the Board of Trustees may from time to time require of him and shall have such authority as the Board of Trustees may from time to time vest in him.

**Section 10. Bonds of Officers.** The Board of Trustees shall require the treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees, in its discretion, may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

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

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

## ARTICLE VI

### Contracts, Checks and Deposits

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

**Section 2. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of

indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

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

**ARTICLE VII**  
Membership Certificates  
(Article repealed May 7, 2002)

**ARTICLE VIII**  
Revenues and Receipts  
Patronage Capital  
(Amended July 27, 1960)

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

**Section 2. Patronage Capital.** In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike will, through their patronage, furnish capital for the Cooperative. All amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable thereto, are received with the understanding that they are furnished by the patrons as capital. At the end of each calendar year, capital furnished by the patrons shall be allocated to each patron on the basis of patronage, as determined by the Board of Trustees, and the Cooperative must notify the patron of the amount of capital contributed.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, proceeds of liquidation shall be apportioned among the patrons in direct proportion to their equity in the Cooperative as represented by their capital credits. Providing the financial condition of the Cooperative is not impaired thereby, the Board of Trustees may retire patronage capital before liquidation so long as the retirement is on a pro rata basis. Notwithstanding any other provisions of these bylaws, the Board of Trustees shall have the

power at any time upon the death of any patron, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees deem advisable.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative and after the assignment has been approved by the Board of Trustees.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and the bylaws as amended, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

**Section 3. Nonpatronage Income.** Income incidental to the business such as income derived from the lease of premises, from investments in securities, from the sale or exchange of capital assets and business done with the United States, shall be allocated to members and non-members alike in direct proportion to capital furnished pursuant to Section 2, Article VIII of these bylaws.

**Section 4. Losses.** In the event the association suffers a loss during any year, the Board of Trustees shall prescribe the basis on which the capital contributions of patrons shall be reduced on account of any such loss, so that it will be borne by the patrons on as equitable a basis as the Board of Trustees finds practicable.

## **ARTICLE IX** Waiver of Notice

Any member or trustee may waive, in writing, any notice of meetings required to be given by these bylaws. In case of a joint membership, a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

## **ARTICLE X** Fiscal Year

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

## **ARTICLE XII**

### **Membership in Other Organizations**

The Board of Trustees may, on behalf of the Cooperative, purchase a membership in any corporation or purchase qualifying shares of stock of any corporation which is engaged in or will engage in generating, transmitting, or distributing electric energy or service if the Board of Trustees deems it necessary in conducting the business of the Cooperative. The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business.

## **ARTICLE XIII**

### **Seal**

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

## **ARTICLE XIV**

### **Amendments**

These bylaws may be altered, amended or repealed by the members of the Cooperative at any regular or special meeting. The notice of the meeting shall contain a copy of the proposed amendment, alteration or repeal to be considered at the meeting.

## **ARTICLE XV**

### **Indemnification**

(Approved May 4, 1993)

Each person, trustee, officer, employee or agent of the Cooperative now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served as a trustee, officer, employee or agent, or by reason of any action alleged to have been taken, omitted or neglected by him or her as such trustee, officer, employee or agent; and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such

claim or liability. Provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his or her own willful misconduct or gross negligence.

The amount paid to any trustee, officer, employee or agent by way of indemnification shall not exceed his or her actual, reasonable and necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by the Board of Trustees of the Cooperative.

The right of indemnification herein above provided for shall not be exclusive of any rights to which any trustee, officer, employee or agent of the Cooperative may otherwise be entitled by law.

## **Compliance to Title VI of the Civil Rights Act of 1964 Non-Discrimination**

The Caney Valley Electric Cooperative Association, Inc., is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, sex, religion, age or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's non-discrimination compliance efforts is the Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Administrator, Rural Utilities Service, Stop 1510, 1400 Independence Avenue, SW, Washington, D.C., 20250-1510; or the Director, Office of Civil Rights; Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.