

ARTICLE 1 - MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP.

Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Wheatland Electric Cooperative, Inc., (the “Cooperative”) by:

- a) Making a written application for membership therein: and
- b) Agreeing to purchase from the Cooperative electric energy, water or telecommunications services (including but not limited to wireless internet service) as hereinafter specified; and
- c) Agreeing 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 trustees.

SECTION 2. PURCHASE OF ELECTRIC ENERGY, WATER OR TELECOMMUNICATIONS SERVICES AND OTHER UTILITY SERVICES.

Each electric energy member shall purchase from the Cooperative all the electric energy used on premises owned by applicant for membership, save and except such energy as may be produced by means of an alternate source of energy owned and produced by applicant on premises owned by applicant. Applicant shall pay for energy, water, telecommunications services and/or other utility services provided by the cooperative at rates which shall, from time to time, be fixed by the board of trustees; provided, however, that the board of trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy, water and telecommunications services in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided for in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy, water and telecommunications services consumed or provided, as shall be fixed by the board of trustees from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 3. TERMINATION OF MEMBERSHIP.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of trustees may prescribe. The board of trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the trustees, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules and regulations adopted by the board of trustees, but only if such member shall have been given written notice by the Cooperative

that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board of trustees or of the members at an annual or special meeting. The membership of a member who for a period of six months after service is available to him, has not purchased electric energy, water, communications or other utility services from the Cooperative, or of a member who has ceased to purchase same from the Cooperative, shall be cancelled by resolution of the board of trustees.

Upon withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE 2 – RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS.

Upon dissolution, after

- a) all debts and liabilities of the Cooperative shall have been paid, and
- b) all capital furnished through patronage shall have been retired as provided in these bylaws,

the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years preceding the date of the filing of the certificate of dissolution.

SECTION 2. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE.

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

ARTICLE 3 – MEETING OF MEMBERS

SECTION 1. ANNUAL MEETING.

The annual meeting of the members shall be held during the month of April each year, at such place in the area served by the Cooperative as shall be designated in the notice of the meeting, for the purposes of electing trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board of trustees to make adequate plans in preparation for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. SPECIAL MEETING

Special meetings of the members may be called by resolution of the board of trustees, or upon written request signed by three trustees, by the President, or by ten percent, or more of all the members, or 300 of such members, whichever is the lesser, and it shall thereupon be the duty of the Secretary to cause a notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place as specified in the notice of the special meeting.

SECTION 3. NOTICE OF MEMBER MEETINGS.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten days, nor more than forty days before the date of the meeting, either personally or by mail, 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. 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 thereupon paid. 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. QUOROM.

As long as the total number of members does not exceed one thousand, five percent of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed one thousand, fifty members shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting without further notice. The minutes of each meeting shall contain a list of the members in person.

SECTION 5. VOTING

Each member shall be entitled to only one vote upon each matter submitted to a vote of the members. 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 or these bylaws.

SECTION 6. PROXIES.

A member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid after sixty days from the date of its execution. No proxy shall be valid unless it shall designate the particular meeting at which it is to be voted and no proxy shall be voted at any meeting other than the one so designated or for adjournment

of such meeting. A member may give his proxy only to another member or to an adult relative living in the same home with such a member, and no person may hold more than one proxy at any meeting. The presence of a member at a meeting shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy. The minutes of each meeting shall contain a list of the members represented by proxy and of their respective proxies.

SECTION 7. ORDER OF BUSINESS

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

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Report on the number of members represented by proxy and the names of their respective proxies.
3. 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.
4. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
5. Presentation and consideration of reports of officers, trustees and committees.
6. Election of trustees.
7. Unfinished business.
8. New business.
9. Adjournment.

SECTION 8. MAIL BALLOTING FOR MERGER OR CONSOLIDATION

The question of merger or consolidation by the Cooperative may be submitted to the membership by mail ballot in the following manner:

1. A mail ballot setting out the proposition of merger or consolidation shall be mailed to each member at his address as it appears on the records of the Cooperative. The ballots shall be mailed not less than twenty days nor more than thirty days prior to any meeting of members called for the purpose of determining the question of merger or consolidation;

2. Only ballots prescribed by the board of trustees will be honored and counted;
3. Ballots and the manner of marking and returning them to the Cooperative may be that, while the fact that they have been marked by a member of the Cooperative may be verified, they are voted in secret; a ballot may not be revoked by any member who has voted it;
4. Return-addressed and stamped envelopes will be provided for mailing the marked ballots back to the Cooperative;
5. Ballots must be marked and returned to the Cooperative's corporate headquarters not less than five (5) days prior to the member meeting to be counted;
6. Any member who has not voted a mail ballot may cast his vote and the vote of any valid proxy while in attendance at the meeting of members;
7. The returned ballots shall be counted by two non-trustees members of the Cooperative designated by the board of trustees and the Secretary and the results thereof shall be certified over their signatures to, and shall be duly announced at, the member meeting; and if there is conflict between a mailed ballot and the instruction to or attempted vote of a holder of the same member's proxy, the mailed ballot shall prevail; and in no event shall both be counted with respect to the same vote.

ARTICLE 4 – TRUSTEES

SECTION 1. GENERAL POWERS.

The business and affairs of the Cooperative shall be managed by a board of no more than twelve trustees 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. At least one but no more than two trustees shall be elected from each district.

SECTION 2. ELECTION AND TENURE OF OFFICE.

Trustees shall be elected by secret ballot at each annual meeting of the members, and shall be elected for a three year term. Members of the board of trustees shall not serve more than six, three year terms beginning from and after adoption of this bylaw by the membership at an annual meeting. Trustees shall be elected by a plurality vote of those members casting secret ballots at a duly convened annual meeting of members. If an election of trustees shall not be held on the day designated herein for the annual meeting, or any adjournment thereof, a special meeting of the members shall be held for the purpose of electing trustees within reasonable time thereafter.

SECTION 3. QUALIFICATIONS.

No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who:

1. Is not a member and taking electric service in the area served or to be served by the Cooperative, or
2. 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.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, its Board of Trustees shall remove such trustee from office.

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

SECTION 4. NOMINATIONS AND DISTRICTS.

It shall be the duty of the board of trustees to appoint, not less than thirty days nor more than sixty 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 nor more than eleven members who shall be selected from different districts served or to be served by the Cooperative so as to insure equitable representation. No member of the board of trustees may serve on such a committee. To insure equitable representation on the committee, the division of territory served or to be served by the Cooperative shall be as follows, to-wit:

DISTRICT NO. 1

Scott and Logan Counties

DISTRICT NO. 2

Wichita and Wallace Counties

DISTRICT NO. 3

Greeley County, KS

Kiowa and Cheyenne Counties, CO

DISTRICT NO. 4

Hamilton County, KS

W ½ Kearny County, KS

Prowers County, CO

DISTRICT NO. 5

E ½ Kearny County

Finney County

Gray County

DISTRICT NO. 6

Great Bend

DISTRICT NO. 7

Harper, Kingman, Sumner, and Sedgwick Counties

Each district shall have annexed to it any area, next to and having its largest mass contiguous to such district for which the Cooperative shall have heretofore, or may hereafter, receive certificate of convenience and necessity issued by the Kansas State Corporation Commission.

The committee on nominations, in selecting members for nomination to trustee positions, shall insure geographic representation by conforming to the following:

There shall be not less than one member elected to the board of trustees nor more than two members elected to the board of trustees from any one of the aforesaid districts, and each member nominated must be a resident of said district for which he is nominated. The committee, abiding by the aforesaid districting and nominations as to districts, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of the nominations for trustees which may include a greater number of candidates than are to be elected. Any fifteen or more members acting together may make other nominations by petition not less than forty days prior to the meeting, and the Secretary shall post such nominations at the same place the list of nominees by the committee is posted. The Secretary shall cause to be mailed to the members notice of the meeting at least ten days

before the date of the meeting a statement of the number of trustees to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also, the nominations made by petition, if any. Nominations by petition filed prior to the annual meeting but which are not filed so as to permit the names of any nominees to be included in the notice of annual meeting will be considered as nominations from the floor. The chairman shall call for additional nominations from the floor and nominations shall be governed by the rules and regulations as to nominations and districts as heretofore set forth for the committee on nominations, and said nominations shall not be closed until at least one minute has passed during which no additional nominations has been made. No member may nominate more than one candidate.

SECTION 5. REMOVAL OF TRUSTEES BY MEMBERS.

Any member may bring charges against a trustee and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members may request the removal of such trustee by reason thereof. Such trustee(s) shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon at the next regular or special meeting of members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 6. VACANCIES.

Subject to the provisions of these bylaws with respect to the filling of vacancies by the removal of trustees by the members, by death, or otherwise a vacancy occurring in the board of trustees shall be filled by the affirmative vote of a majority of the remaining trustees, such appointee or appointees to be from among the members of the same district or districts in which vacancies occurred and for the unexpired portion of the term.

SECTION 7. COMPENSATION.

Trustees shall not receive any salary for their services as such, except that members of the board of trustees of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the trustees. If authorized by the board of trustees, trustees may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the trustees in lieu of detailed accounting for some of these expenses. 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 the payment and amount of compensations shall be specifically authorized by a vote of the members, or the service by the trustee or his close relative shall have been certified by the board of trustees as an emergency measure.

ARTICLE 5 – MEETING OF TRUSTEES

SECTION 1. REGULAR MEETING.

A regular meeting of the board of trustees shall also be held monthly at such time and place in any of the counties served by the Cooperative as the board of trustees may provide by resolution. Such regular monthly meetings may be held without notice other than by 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 by any three trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as herein provided. The President of the trustees calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. NOTICE OF TRUSTEE MEETINGS.

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

SECTION 4. QUORUM.

A majority of the board of trustees shall constitute a quorum, provided, that if less than such a majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting, and provided further, that the Secretary shall notify any absent trustees of the time and place of such adjourned meeting. 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 6 – 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 trustees from time to time. The offices of Secretary and 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 next meeting of the board of trustees held after the annual meeting of the members. 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 elected and shall have qualified. A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY TRUSTEES.

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 interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, or 300 of such members – whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and, the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. PRESIDENT.

The President:

- a) Shall be the principal executive officer of the Cooperative, and, unless otherwise determined by the members or the board of trustees, shall preside at all meetings of the members and the board of trustees; and,
- b) May sign, with the Secretary, 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) Shall, in general, 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 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 President, and when so acting, shall have all the power 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 trustees.

SECTION 6. SECRETARY.

The Secretary shall be responsible for:

- a) Keeping the minutes of the meetings of the members and of the board of trustees in one or more books provided for that purpose;
- b) Seeing that all notices are duly given in accordance with these bylaws or as required by law;
- c) Custody of the corporate records and of the seal of the Cooperative, and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized with the provisions of these bylaws;
- d) Keeping a register of the names and post office addresses of all members;
- e) Having general charge of the books of the Cooperative;
- f) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to inspection of any members, and at the expense of the Cooperative forwarding a copy of the Bylaws and all amendments thereto each member, and;
- g) In general, performing 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 7. TREASURER

The Treasurer shall be responsible for:

- a) Charge and custody of all funds and securities of the Cooperative;
- b) The receipt of and the issuance of all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws, and;
- c) The performance of all the duties of the office of Treasurer and such other duties as from time to time may be assigned to him by the board of trustees.

SECTION 8. 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 shall exercise such authority as the board of trustees may from time to time vest in him.

SECTION 9. 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 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 be bonded in such amount and with such surety as it shall determine.

SECTION 10. COMPENSATION.

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

SECTION 11. REPORTS.

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

SECTION 12. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES.

Each person who is or was a director, officer or employee of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer or employee of another corporation (including the heirs,

executors, administrators, or estate of such person) shall be indemnified by the Cooperative as of right to the full extent permitted or authorized by laws of the State of Kansas, as now in effect and as hereafter amended, against any liability, judgement, fine, amount paid in settlement, cost and expense (including attorney's fees) asserted or threatened against and incurred by such person in his capacity as or arising out of his status as director, officer or employee of the Cooperative, or if serving at the request of the Cooperative as a director, officer or employee of another corporation.

The indemnification provided by this bylaw provision shall not be exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, and shall not limit in any way any right the Cooperative may have to make different or further indemnifications with respect to the same or different persons or classes of persons.

ARTICLE 7 – NON-PROFIT OPERATION

SECTION 1. INTEREST OF DIVIDENDS ON CAPITAL PROHIBITED.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends 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, water and telecommunications services the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy, water and telecommunications services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the member as capital. The Cooperative is obligated to allocate by credit to a capital account for each member all such amounts in excess of operating costs and expenses.

The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his account. All such amounts credited to the capital account of any person shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses, shall, insofar as permitted by law, be:

- a) used to offset any losses incurred during the current or any prior fiscal year, and
- b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amounts so allocated shall be included as part of the capital credited to the accounts of members, as herein provided.

Provided, however, that the board of trustees shall have the power to adopt rules providing for the separate retirement of that portion of capital credited to the accounts of its members which correspond to capital credited to the account of the Cooperative by any organization furnishing electric service and energy for resale, a marketing cooperative, or a similarly affiliated cooperative. Such rules shall:

- a) Establish a method for determining the amount of such capital so contributed for each applicable fiscal year,
- b) Provide for appropriate notifications to members with respect to such portion or capital credited to their accounts, and
- c) Preclude a general retirement of such portion of capital credited to the members for any fiscal year prior to the retirement of other capital credited to members for the same year or of any capital credited to any prior fiscal year.

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 trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part. The board of trustees shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.

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

Notwithstanding any other provisions of these bylaws, the board of trustees, at its discretion, shall have the power at any time upon the death of any member (who was a natural person), if the legal representative of his estate shall request in writing that the capital credited to any such deceased member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such deceased member or legal successor, immediately upon such terms and conditions as the board of trustees, acting under policies of general application, and the legal representatives of such person's estate or such legal successor, shall agree upon; provided,

however, that the financial condition of the Cooperative will not be impaired thereby. The board of trustees acting under policies of general application shall determine the method upon which a legal successor must show his status as the legal successor of the decedent.

The members of the cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and the Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE 8 – DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, 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 notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, not withstanding anything herein contained, the Board of Trustees of the cooperative, 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 Trustees shall determine, to secure any indebtedness of the cooperative to the National Rural Utilities Cooperative Finance Corporation (CFC) in accordance with Loan Agreements between Wheatland Electric Cooperative, Inc., and CFC; provided further, that the Board of trustees 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 foreign corporation doing business in this State pursuant to the act under with this cooperative is incorporated, or to a municipality or other body politic or subdivision thereof.

ARTIVLE 9 – SEAL

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

ARTICLE 10 – FINANCIAL TRANSACTIONS

SECTION 1. CONTRACTS.

Except as otherwise provided in the 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 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 resolutions 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.

SECTION 4. FISCAL YEAR.

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

ARTICLE 11 – MISCELLANEOUS

SECTION 1. MEMBERSHIP IN OTHER ORGANIZATIONS.

The Cooperative may upon the authorization of the board of trustees, purchase stock in or become a member of any corporation or organization and the Cooperative may engage in any business endeavor deemed to be in the best interests of the Cooperative by the board of trustees.

SECTION 2. WAIVER OF NOTICE

Any member or trustee may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of the member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for

the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. RULES AND REGULATIONS.

The board of trustees shall have power to make and adopt 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.

SECTION 4. ACCOUNTING SYSTEM AND REPORTS.

The board of trustees 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 and with standard accounting practices. The board of trustees shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative. Such audit reports shall be available to the members at the next following meeting.

SECTION 5. AREA COVERAGE.

The board of trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who:

- a) desire such service, and
- b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE 12

These bylaws may be altered, 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 alteration, amendment or repeal.