

It shall be the aim of
SLOPE ELECTRIC COOPERATIVE, INC.
to make electric energy available to its members at the
lowest cost consistent with sound economy
and good management.

BYLAWS
of
SLOPE ELECTRIC COOPERATIVE, INC.

ARTICLE I

MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP. Any person, firm, association, corporation, or body politic, or subdivision thereof, will become a member of Slope Electric Cooperative, Inc., (hereinafter called the cooperative) upon receipt of electric service from the cooperative, provided that he/she or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the cooperative, electric energy, as hereinafter specified;
- (c) Agreed 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; and
- (d) No member may hold more than one membership in the cooperative.

SECTION 2. MEMBERSHIP. Membership in the cooperative shall be evidenced by purchase and payment for electric service from the cooperative.

SECTION 3. JOINT MEMBERSHIP. Any two natural persons may apply for joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately, or both jointly, shall constitute one joint vote;

- (c) A proxy executed by either, or both, shall constitute one joint proxy;
- (d) A waiver of notice signed by either, or both, shall constitute a joint waiver;
- (e) Notice to either shall constitute notice to both;
- (f) Expulsion of either shall terminate the joint membership;
- (g) Withdrawal of either shall terminate the joint membership;
- (h) Either, but not both, may be elected or appointed as an officer or director;
- (i) Upon the legal termination, separation or divorce of the holders of a joint membership, such membership shall be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other joint owner shall not be released from any debts due the Cooperative incurred prior to delivery of notice of membership withdrawal by such joint owner, and that capital credits previously accrued to the joint membership shall be equally divided between the joint membership unless otherwise directed in writing by the former joint members and provide any documentation required by the Cooperative.

SECTION 4. CONVERSION OF MEMBERSHIP.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof, and the agreement by such holder and the proposed joint member to comply with the articles of incorporation, bylaws, and rules and regulations adopted by the board of directors.
- (b) Upon the death of any joint member who is a party to the joint membership, such membership shall be held solely by the survivor. The estate of the deceased shall not be released from any debt due the Cooperative.

SECTION 5. SERVICE CONNECTION FEES. The board of directors may require a deposit or service connection fee for each connection, extension, or other available service, pursuant to reasonable rules, regulations, and policies adopted by the board of directors.

SECTION 6. PURCHASE OF ELECTRIC ENERGY. Each member shall, as soon as electric energy shall be available, purchase from the cooperative electric energy used on the premises specified in his/her application for membership, and shall pay, therefore, at rates which shall, from time to time, be fixed by the board of directors. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the board of directors from time to time. Each member

shall also pay all amounts owed by him/her to the cooperative as and when the same shall become due and payable.

SECTION 7. TERMINATION OF MEMBERSHIP.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe. The board of directors of the cooperative, may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions adopted by the board of directors, but only if such a member shall have been given written notice by the secretary of the cooperative that such failure makes him/her liable to expulsion and such failure shall have continued for at least ten days after such notice was given.
- (b) Upon the 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/her estate from any debts due the cooperative.

ARTICLE II

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 next, preceding the date of the filing of the certificate of dissolution, or if the cooperative shall not have been in existence for such period, during the period of its existence.

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.

SECTION 3. WIRING OF PREMISES. Each member shall cause all premises receiving electric service pursuant to one's membership to become and to remain wired in accordance with the specifications of the North Dakota State Electrical Code, the National Electric Code, and any applicable local government ordinances, and of the Cooperative. Each member shall be responsible for – and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use of maintenance of – such premises and all wiring and apparatuses connected thereto or used therefrom.

Each member shall make available to the Cooperative a suitable site, as determined by the

Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service. Each member shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto to safely and without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times.

As a part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use ones best efforts to prevent others from so doing.

Each member shall also provide such protective devices to one's premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operations and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment or any error occurring in the Cooperative's billing procedures.

In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery. The member shall be responsible for all aspects of the wiring for and use of electric energy upon one's premises, including, but not limited to, the identification and proper control of stray voltage.

SECTION 4. GRANT OF EASEMENT. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement of right-of-way over, on and under such lands owned by the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to such member or others or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

SECTION 5. INDEMNIFICATION. In the event facilities of the Cooperative are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any of revenues resulting from the failure or defective functioning of its metering equipment.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of the members shall be held between May 1 and August 31 each year at a date to be determined by the directors, beginning with the year 1960, at such place in any of the counties of Adams, Bowman, Hettinger, or Slope, in the state of North Dakota, as may be selected by the directors and designated in the notice of meeting, for the purpose of electing directors, 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 directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the cooperative. The Board of Directors may, by a two-thirds vote, change or postpone the annual meeting of the members if holding the annual meeting at the designated time is impossible or imprudent due to force majeure, Act of God, war, disease, natural disaster, or similar event or occurrence.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the board of directors, or upon a written request signed by any three directors, by the president, or by ten per centum or more 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 convenient place within the counties of Adams, Bowman, Hettinger, or Slope, in the state of North Dakota, as may be selected by the party, or parties, requesting said special meeting, and specified in the notice of special meeting.

SECTION 3. NOTICE OF MEMBERS' MEETINGS. 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, for the purpose or purposes for which the meeting is called, shall be provided in any manner permitted by North Dakota law 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 thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. QUORUM. A quorum at a meeting of the members shall be ten percent of the first one hundred members plus five percent of additional members:

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

However, a quorum shall never be more than fifty members or less than five members, or a

majority of all members, whichever is smaller.

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, except as otherwise provided by law, the articles of incorporation, or these bylaws. Entities shall have the right to cast one (1) vote on any issue the same as other members, provided that a duly elected and acting officer executes a proper certification or other qualifying instruments as the Board of Directors may, from time to time, prescribe.

SECTION 6. VOTING BY MAIL OR REMOTE ELECTRONIC MEANS. Voting by mail or remote electronic means may be authorized by the Board of Directors.

- (a) If the Board of Directors shall authorize voting by mail, the notice and the ballot must be mailed at least ten (10) days in advance of the balloting and must contain the exact motion, resolution, director election, or action or amendment to be voted upon.
- (b) If the Board of Directors shall authorize voting by electronic means, the notice, instructions for voting by electronic means and any information necessary for voting by electronic means shall be mailed or electronically distributed (if authorized by the member) at least ten (10) days in advance of the balloting and must contain the exact motion, resolution, director election or other action or amendment to be voted upon.
- (c) The failure of any member to receive the notice and ballot shall not invalidate any action which may be taken as a result of the balloting. The ballot shall be certified and signed by the member, and when received by the secretary of the Cooperative, shall be accepted and counted as the vote of the member. Members who first become members within 15 days of the distribution of mail in or electric balloting for an annual meeting will only be eligible to vote in person at that annual meeting.

SECTION 7. PROXIES. Voting by proxy shall not be allowed except that the spouse of a member who is not present and registered shall be considered to hold a proxy of that member and shall be entitled to vote.

SECTION 8. ANNUAL MEETING BUSINESS. Business that shall be addressed at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

- 1. Report as to which members are present in person, in order to determine the existence of a quorum and which members are represented by proxy.
- 2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- 3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.

4. Presentation and consideration of reports of officers, directors, and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Any other item of business which has been properly noticed and brought before the meeting.

ARTICLE IV

DIRECTORS

SECTION 1. GENERAL POWERS. 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.

SECTION 2. ELECTION AND TENURE OF OFFICE. The board of directors shall consist of at least five (5), but no more than eight (8) members to be elected by and from the membership for a term of three years. At least one (1) director shall reside in and represent each of the four districts. The board of directors is hereby authorized to determine the number of directors. However, should the membership petition, in a manner similar to the petition for nominations, to review the decision of the board as to the number of directors, such decision shall be subject to approval at the next scheduled membership meeting, whether the annual meeting or a special meeting. If the election of directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members within a reasonable time thereafter. The directors may be elected by a plurality vote of the members.

SECTION 3. QUALIFICATIONS. In order to insure equitable geographical representation on the board of directors, the area served by the cooperative is hereby divided into four Districts, as follows:

District Number One shall consist of -

All of Hettinger County;

District Number Two shall consist of -

All of Adams County, North Dakota, and portions of Sioux and Grant Counties, North Dakota and Perkins County, South Dakota which the Cooperative serves;

District Number Three shall consist of -

All of Slope County, North Dakota and portions of Fallon County, Montana which the Cooperative serves;

District Number Four shall consist of -

All of Bowman County, North Dakota and portions of Harding County,

South Dakota which the Cooperative serves;

The members now serving on the board of directors represent the districts above named; no member hereafter shall be eligible to become or remain a director unless such member shall be a bona fide resident of the district in which the present director's terms will expire, or in which there is a vacancy.

In addition to the foregoing qualifications, no member shall be eligible to become or remain a director, or to hold any position of trust in the cooperative who:

- (a) is not a member of the cooperative and in good standing and a bona fide resident of his/her director district; or
- (b) is in any way employed by, or financially interested in, a competing enterprise, or a business selling electric energy, or supplies to the cooperative, or a business permanently engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the cooperative; or
- (c) fails to attend at least six (6) of the total number of regular and special board of directors meetings per year, or who fails to attend four (4) consecutive regular and/or special meetings.
- (d) Is not currently or within three (3) years immediately preceding the date of a director's election, was an employee of the cooperative or a director or an employee of a competing firm selling energy; or
- (e) At any time during the five (5) years preceding a director candidate's nomination shall have been employed by a labor union that represents or has endeavored to represent any employee of the cooperative; or
- (f) Is a close relative, which includes a grandparent, parent, spouse, co-habitant, child, or grandchild of an employee or incumbent director, or any half or step relationship of the listed relationships; or
- (g) Is or becomes the full-time employee or agent of, or who is or becomes the full-time employee or principal of, another director.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove such director 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 directors.

SECTION 4. NOMINATIONS. It shall be the duty of the board of directors to appoint, not less than sixty days nor more than one hundred eighty days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less

than five nor more than eleven members who shall be selected from different districts so as to insure equitable representation. No member of the board of directors may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principle office of the cooperative at least forty-five days before the meeting a list of nominations for the directors, but any fifteen or more members, acting together, may make other nominations by petition not less than ninety days prior to the meeting, and the secretary shall post such nominations 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, or separately, but at least seven 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 committee on nominations and also the nominations made by petition, if any. Unless voting by mail or electronic means for directorships has been approved, the chairman shall invite additional nominations from the floor, and nominations shall not be closed until the chairman has made three invitations for nominations from the floor and no additional nomination has been made. No member may nominate more than one candidate. If extenuating circumstances exist, nominations from the floor may be accepted even though voting by mail or electronic means has occurred.

SECTION 5. REMOVAL OF DIRECTORS BY MEMBERS. Any member may bring charges for cause against a director and, by filing with the secretary, such charges in writing together with a petition signed by at least ten per centum of the members, may request the removal of such director by reason thereof. Such director 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 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. The question of the removal of such director shall be considered and voted upon at the meeting of the members.

SECTION 6. VACANCIES. A vacancy occurring in the board of directors shall be filled by the affirmative vote of a majority of the remaining directors, such director to serve until the next annual meeting when the members shall elect a director to fill out any unexpired term.

SECTION 7. COMPENSATION. Directors, as such, shall not receive any salary for their services, except that by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors; and for attending meetings, hearings, conferences, etc. as an authorized representative or representatives of the cooperative. No director shall receive compensation for serving the cooperative in any other capacity; nor shall any close relative (as previously defined in the Bylaws) of a director receive compensation for serving the cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members; or the service by such director or close relative shall have been certified by the board of directors as an emergency measure.

SECTION 8. INDEMNIFICATION. The cooperative shall indemnify and hold harmless its past and present directors and officers, including the general manager--and may but shall not

be obligated to so indemnify and hold harmless one or more of its past and present agents and other employees--against liability and related costs, including reasonable attorney's fees, because of any act or omission in connection with their relationship to the cooperative in such capacities, to the maximum extent allowable by law, including, and supplementary and subject to, but not limited to the indemnification allowed under N.D.C.C. 10-15-03 (10). Such indemnification shall not be construed to waive any immunity granted under state law, including but not limited to the immunity granted under N.D.C.C. 10-15-31. The cooperative may purchase insurance to cover such indemnification.

SECTION 9. DIRECTORS EMPOWERED TO PROMOTE RURAL DEVELOPMENT.

The board is empowered to promote rural and economic development of the general areas in or near to which the cooperative serves. Such promotion may include, but shall not be limited to, (a) membership in or ownership of securities issued by other organizations engaged in such promotion, (b) expending, investment, lending or underwriting reasonable amounts of funds, and (c) acquisition, through purchase, lease, option or otherwise, of land and other properties for resale, lease or sublease to institutional, commercial and industrial enterprises or other entities.

ARTICLE V

MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. A regular meeting of the board of directors shall be held monthly at such time and place as the board of directors may provide by resolution, in any of the counties of Adams, Bowman, Hettinger, or Slope, in the state of North Dakota. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Upon proper notice as otherwise provided herein, regular meetings may also be held in a location outside the four counties or via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent to this.

SECTION 2. SPECIAL MEETINGS. Special meetings of the board of directors may be called by the president or by any three directors, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The president or the directors calling the meeting, shall fix the time and place of the same, (which shall be a place in the counties of Adams, Bowman, Hettinger, or Slope, in the state of North Dakota), for the holding of the meeting.

Upon proper notice as otherwise provided herein, special meetings may also be held in a location outside the four counties or via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent to this.

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 five days previous, thereto, either personally, electronically or by mail, or any other manner permitted by North Dakota law, by or at the direction of the secretary, or upon default in duty by the secretary, by the president, or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the cooperative, with postage 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 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.

ARTICLE VI

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 from time to time. The offices of secretary and of treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the board of directors at the first meeting of the board of directors held after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of directors following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY DIRECTORS. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best 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, 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 shall:

- (a) be the principal executive officer of the board of directors, and shall preside at all

meetings of the members and of the board of directors.

- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws to some other officer or agent of the 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/her 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/her by the board of directors.

SECTION 6. SECRETARY. The secretary shall:

- (a) keep the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative to all documents, the execution 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 names and post office addresses of all members;
- (e) [intentionally blank];
- (f) have general charge of the books of the Cooperative;
- (g) keep 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 the inspection of any member) and at the expense of the cooperative, make a copy of the bylaws and of all amendments thereto available to each member; and in general, perform all duties incident to the office of the secretary and such other duties as from time to time may be assigned him/her 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) be responsible for the receipt of, and the issuance of receipts for all monies due and payable to the cooperative, and for the deposit of all such money 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 directors.

SECTION 8. GENERAL MANAGER/CHIEF EXECUTIVE OFFICER. The board of directors may appoint a general manager/chief executive officer, who will perform such duties as the board of directors may, from time to time, require, and shall have such authority as the board of directors may, from time to time, vest in the general manager/chief executive officer. The general manager/chief executive officer shall be the principal executive officer of the cooperative and shall have general and active management of the business affairs of the cooperative subject to the supervision, order, and direction of the board of directors.

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 give bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the cooperative to give bond in such amount, and with such surety as it shall determine.

SECTION 10. COMPENSATION. The powers, duties, and compensation of officers, agents and employees shall be fixed by the board of directors, subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.

SECTION 11. REPORTS. The officers of the 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. DELEGATION OF SECRETARY'S AND TREASURER'S RESPONSIBILITIES. Notwithstanding the duties, responsibilities and authorities of the secretary and of the treasurer hereinbefore provided, the board of directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular and routine administration of, one or more of such officers' such duties to one or more agents or other officers of the cooperative who are not directors. To the extent that the board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

ARTICLE VII

NON-PROFIT OPERATION

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 dividends shall be paid or payable by the cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE OF CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy, the cooperative's operations shall be so conducted that all 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 non-profit basis, the cooperative is obligated to account, on a patronage basis, to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses are received with the understanding that they are furnished by the patrons as capital. 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 electric energy and goods 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/her 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.

All other amounts received by the cooperative from sources other than operations may be a.) Used to offset any losses incurred during the current or any prior fiscal year b.) At the discretion of the board of directors, credited to a general unallocated reserve or c.) To the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to accounts of patrons as herein provided. Nothing in this section shall limit the Board of Directors' discretion to determine the manner in which excess capital is returned to the members, provided the manner of return of excess capital does not violate N.D.C.C. § 10-13-06 or relevant portions of the Internal Revenue Code applicable to non-profit cooperatives.

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 to members. If, at any time prior to dissolution or liquidation, the board of directors shall determine the financial condition of the cooperative will not be impaired thereby, the capital then credited to patrons accounts may be retired in full, or in part. Any such retirements of capital furnished prior to January 1, 1978, 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. After December 31, 1977, the board of directors shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital. Without limiting the generality of the board of directors' power to determine the method, basis, priority and order of retirement of capital, the board of directors shall have the power to adopt rules providing for the separate retirement 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 a 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 capital credited to the cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to the power supply portion of capital 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.

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

Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron, including patrons who were members of a partnership that was or is a member of the cooperative and corporations which have become civilly dead by formal dissolution or become bankrupt, leaving an estate to be administered for the benefit of its shareholders and creditors, if the legal representative(s) of their estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provision of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of directors, acting under the policies of general application, and the legal representative(s) of such patron's estate shall agree upon; provided, however, that the financial condition of the cooperative will not be impaired thereby.

The cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the cooperative, together with late fees thereon at a reasonable rate as from time to time established by the board and in effect when such amount became overdue.

Notwithstanding any other provisions of these bylaws, should member file bankruptcy and there shall be outstanding capital credits which have been allocated upon the books of cooperative to the account of member, and said member shall have an amount owed to cooperative for electrical energy provided to member, or amounts owed to cooperative on accounts other than electrical energy provided by cooperative, cooperative shall retain the capital credits to offset any amounts owed to cooperative and any remaining balance over and above this amount shall be retained in the capital credit account of member to be paid under the policies set by the board of directors.

The board of directors, at its discretion, shall have the power to convert all patronage equities of a member credited to a specific metered account to be accounted and held as contributed capital in aid of the cost of construction of the electrical system facilities necessary to serve the account of such member if service to such account is terminated to permit the delivery of electricity by another central station power supplier or by their own generation absent the written consent of the Cooperative.

The patrons of the cooperative, by dealing with the cooperative acknowledge that the terms and provisions of the articles of incorporation and bylaws 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. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the cooperative's office.

ARTICLE VIII

DISPOSITION OF PROPERTY

The cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board 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 shall determine, to secure any indebtedness of the cooperative; provided further that the board 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 which this cooperative is incorporated.

ARTICLE IX

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, North Dakota."

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 1. CONTRACTS. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on 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 directors.

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 directors may select.

SECTION 4. [INTENTIONALLY BLANK]

SECTION 5. 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 XI

MISCELLANEOUS

SECTION 1. MEMBERSHIP IN OTHER ORGANIZATIONS. The cooperative shall not become a member of, or purchase stock, in any other organization without an affirmative vote of the board of directors.

SECTION 2. WAIVER OF NOTICE. Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director 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 3. RULES AND REGULATIONS. The board of directors shall have the power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the cooperative.

SECTION 4. ACCOUNTING SYSTEM AND REPORTS. The board of directors shall cause to be established and maintained a complete accounting system which, among other things 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 Utilities Service of the United States of America. The board of directors shall also, after the close of each fiscal year, cause to be made, by a certified public accountant, a full and complete audit of the accounts, books, and financial condition of the cooperative as of the end of such fiscal year. Also, a report on such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. AREA COVERAGE. The board of directors 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 XII

AMENDMENTS

SECTION 1. 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.

SECTION 2. 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 ninety 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.

SECTION 3. 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.

These Amended Bylaws were approved unanimously by the membership at the Cooperative's annual meeting held on June 6, 2024.

SLOPE ELECTRIC COOPERATIVE, INC.

Angela Carlson

By:

[id.1qkC3WU.4nNg48zVRQjl.m2Bwnb](#)

Angela Carlson, Board Secretary

eSignature Details

Signer ID:	1qkCWL4oNg48zVBQjLm2Bwoh
Signed by:	Angela Carlson
Sent to email:	angela.carlson@slopeelectric.coop
IP Address:	104.192.26.168
Signed at:	Jul 29 2024, 6:12 pm MDT