

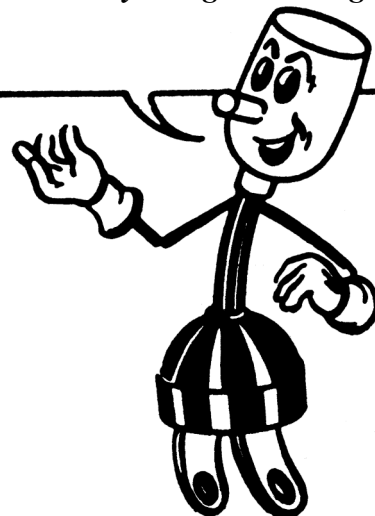
BY - LAWS OF



Woodruff Electric Cooperative Corporation

Your Local Energy Partner

*It shall be the aim of
WOODRUFF ELECTRIC
COOPERATIVE CORPORATION
To make electric energy available to its
members at the lowest cost consistent
with sound economy and good management.*



*Prepared By
Board of Directors
and
Eldridge and Eldridge, Attorneys
Revised January 28, 2004*

**AMENDED BY-LAWS
of
WOODRUFF ELECTRIC
COOPERATIVE CORPORATION**

**ARTICLE I
MEMBERSHIP**

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body political or subdivision thereof may become a member of Woodruff Electric Cooperative Corporation (hereinafter called the "Cooperative") by:

- (a) Making a written application for membership therein and paying the membership fee hereinafter specified;
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreeing to comply with and be bound by the articles of incorporation and by-laws of the Cooperative and amendments thereto, and any rules and regulations adopted by the Board of Directors; and
- (d) Paying the membership fee provided by the Board of Directors for admission to membership, provided however that no person, firm, corporation or other entity shall become a member unless and until accepted for membership by the Board of Directors or by the members. No member may hold more than one membership in the Cooperative and such memberships shall not be transferable.

SECTION 2. Membership Certificates. Upon written request of the applicant for membership, a certificate of membership, in such form and containing such provisions as shall be determined by the Board, will be furnished. Such certificate shall be signed by the Chairman and by the Secretary, or any persons designated by the board of directors, and the corporate seal affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these by-laws or set by the Board of Directors pursuant hereto, nor until such membership fee has been paid in full. In case this certificate is lost, mutilated or destroyed a new certificate may be issued upon such terms and indemnity as the Board may prescribe.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these by-laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply

equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

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

SECTION 4. Conversion of Membership. A membership, upon the written request of the holder thereof, and the agreement of both holder and spouse to comply with the articles of incorporation, by-laws and rules and regulations adopted by the Board of Directors shall be converted into a joint membership and upon surrender of the outstanding certificate, a new certificate shall be issued indicating a changed membership status.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor and upon surrender of the outstanding certificates shall be reissued so as to indicate the changed membership status, provided, however, that the estate of the deceased members shall not be released from any debts or other obligations due to the Cooperative.

SECTION 5. Membership and Service Connection Fees. The membership and service connection fees shall be an amount such as shall be determined from time to time by resolution of the Board of Directors.

In the event service is terminated by any member in accordance with the terms and conditions of the application for membership, the by-laws of the Cooperative or the resolutions of the Board of Directors, the total membership fee shall be returned to the member less any unpaid accounts or other obligations owed to the Cooperative for energy or otherwise together with interest at the legal rate on the obligation.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all required electric energy, and shall pay therefore at rates which shall from time to time be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be

subject to appropriate regulations as shall be fixed from time to time 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 by-laws. 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 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 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 of the articles of incorporation, by-laws or amendments thereto or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure can result in expulsion, and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, or a member who is in default in the payment of indebtedness owed to the Cooperative for a period of sixty (60) days, may be canceled by resolution of the Board of Directors.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or a member's estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay the member the amount of the membership fee and service guarantee deposit paid by member provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to 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 by-laws, the remaining property and assets of the Cooperative shall be distributed pro rata among the members of the Cooperative at the time of the filing of the certificate of dissolution.

SECTION 2. Non-liability for Debts of the Cooperative. The private property of the member shall be free from execution or any 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 III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held each year at such time and place in the Counties of Woodruff, St. Francis, Lee, Phillips, Cross, Monroe or Prairie County, State of Arkansas, as shall be designated in the notice of the meeting, to be fixed by the Board of Directors, for the purpose of electing directors, passing upon reports of the previous fiscal year, and transacting such other business as may come before the meeting subject to the notice provision of these by-laws. 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 or its corporate status.

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 Chairman, or by ten (10%) percentum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties of Woodruff, St. Francis, Lee, Phillips, Cross, Monroe or Prairie, State of Arkansas, specified in the notice of the special meeting, as fixed by the Board of Directors.

SECTION 3. Notice of Members' Meetings. (a) 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 by the Secretary to each member not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail.

If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, addressed to the member's 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 of any such meeting.

(b) Sixty (60) days shall be required only in those cases falling within the provisions of Article II, Section 8, of the Constitution of the State of Arkansas and such other provisions of law under which more than thirty (30) days notice shall be required.

SECTION 4. Quorum. As long as the total number of members does not exceed five hundred, ten (10%) per cent of the total number of members present shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or two (2%) per cent of the total membership, whichever is the larger, shall constitute a quorum. In determining whether a quorum is present, absent members who have submitted ballots, by mail or otherwise, shall be considered present, provided ballots were received by 12:00 noon on the day before the meeting. The Cooperative shall retain for a period of two years a list of those members either present in person or submitting ballots by mail who fulfilled the requirement of a quorum. If less than a quorum is present at any meeting, a majority of those may adjourn the meeting from time to time without further notice.

SECTION 5. Voting. (a) Each member shall be entitled to only one vote upon each matter submitted to a vote of the members. All voting on election of directors and other matters necessary to be voted on by the membership shall be by mail ballot as herein provided for.

(b) The Secretary shall be responsible for the enclosure with the notice of such meeting exact copies of all materials to be voted upon.

Each member may vote for or against any motion, resolution or other matter by placing a cross (x) in the space provided therefor opposite each such motion resolution, ballot or other matter. Such member shall enclose each copy of the motion, resolution or other matter so marked in a sealed envelope bearing the member's name and address to the Secretary at the home office of the Cooperative.

(c) Not less than ten (10) days prior to the annual or special meeting or a special meeting at which directors are to be elected, the Secretary shall mail to each member a ballot bearing the names of those members nominated for directors. Each member may vote for the nominee or nominees chosen by placing a cross (x) in the space provided therefor opposite the name or names of the nominees for whom the member wishes to vote. Such member shall enclose the ballot properly marked in a sealed envelope bearing the member's name and addressed to the Secretary at the home office of the Cooperative. The ballots must be received by the Cooperative before 12 noon on the day before the annual or special meeting date.

The Secretary shall deposit all ballots so received in a place of safe-keeping. Each nominee for the office of director shall be entitled to select a member of a counting committee which shall start counting of the said ballots at noon on the day before that day fixed by the board for the

meeting of members. The committee may select two (2) or more clerks to assist in the counting and tabulation of the mailed ballots. The results shall be reported by the committee to the meeting of members.

(d) When such written vote is received by the Secretary, it shall be counted as the vote of the member at such meeting, and such members shall be counted in arriving at a total in determining a quorum referred to elsewhere in these by-laws. In case of a joint membership, if husband and wife are both absent from such meeting, a written vote received from either of them constitutes one (1) joint vote. The failure of an absent member to receive a copy of any such motion, resolution or other matter, or the ballot shall not invalidate any action which may be taken by the members at any such meeting.

(e) Members proposals. No motion or resolution shall be voted upon at any meeting except in the manner provided in subsection (a) of this Section 5. Any member who desires to submit a proposal to the meeting shall submit a copy thereof to the Secretary at least thirty (30) days prior to the meeting and the Secretary shall place such proposal on the ballot together with other matters to be voted upon. The Board of Directors shall establish procedures by which proponents and opponents shall be able to submit to the members a short statement of reasons for or against a proposal along with the other election information.

(f) Designee. The Board of Directors may, by majority vote at a regular or special meeting, designate a person or persons to perform the duties delegated to the Secretary prescribed above in Subsections (a), (b), (c) and (d).

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members shall be essentially as follows, except as otherwise determined by the members at such meeting: 1. Report on the number of members present or voting by mail in order to determine the existence of a quorum. 2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be. 3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon. 4. Presentation and consideration of reports of officers, trustees, and committees. 5. Report of election of Directors or resolutions. 6. Unfinished business. 7. New business. 8. Adjournment.

ARTICLE IV DIRECTORS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a nine-member board of directors which shall exercise all of the powers of the Cooperative except such as are conferred upon or reserved to the members by law, the articles of incorporation or these by-laws.

SECTION 2. Election and Tenure of Office. The directors who are serving at the time of the adoption of these amended by-laws shall continue to serve for the term for which they were originally elected and have qualified. The board member representing District 2 shall be elected at the annual meeting held in 2004 for a three year term ending in 2007. At the annual meeting in 2007 and at the annual meetings held each nine years thereafter, the board member representing District 2 shall be elected to a nine year term.

The board member representing District 3 shall be elected at the annual meeting held in 2004 for a four year term ending in 2008. At the annual meeting in 2008 and at the annual meetings held each nine years thereafter, the board member representing District 3 shall be elected to a nine year term.

The board member representing District 7 shall be elected at the annual meeting held in 2004 for a five year term ending in 2009. At the annual meeting in 2009 and at the annual meetings held each nine years thereafter, the board member representing District 7 shall be elected to a nine year term.

The board member representing District 1 shall be elected at the annual meeting held in 2005 for a five year term ending in 2010. At the annual meeting in 2010 and at the annual meetings held each nine years thereafter, the board member representing District 1 shall be elected to a nine year term.

The board member representing District 5 shall be elected at the annual meeting held in 2005 for a six year term ending in 2011. At the annual meeting in 2011 and at the annual meetings held each nine years thereafter, the board member representing District 5 shall be elected to a nine year term.

The board member representing District 9 shall be elected at the annual meeting held in 2005 for a seven year term ending in 2012. At the annual meeting in 2012 and at the annual meetings held each nine years thereafter, the board member representing District 9 shall be elected to a nine year term.

The board member representing District 4 shall be elected at the annual meeting held in 2006 for a seven year term ending in 2013. At the annual meeting in 2013 and at the annual meetings held each nine years thereafter, the board member representing District 4 shall be elected to a nine year term.

The board member representing District 6 shall be elected at the annual meeting held in 2006 for an eight year term ending in 2014. At the annual meeting in 2014 and at the annual meetings held each nine years thereafter, the board member representing District 6 shall be elected to a nine year term.

The board member representing District 8 shall be elected at the annual meeting held in 2006 for a nine year term ending in 2015. At the annual meeting in 2015 and at the annual meetings held each nine years thereafter, the board member representing District 8 shall be elected to a nine year term.

The tenure of any director shall run until the election

and qualification of a successor. If an election of directors shall not be held on the day designated for an annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for that purpose within a reasonable time thereafter. Directors may be elected by a plurality vote of the members.

SECTION 3. Qualifications. To be eligible to become or remain a director of this Cooperative, a person must meet the following qualifications:

- (a) At the time of first election be a resident of the service area of the Cooperative from which elected to serve. A director shall not thereafter be disqualified from serving, nor shall eligibility for re-election be affected, because of the movement of the member's residence from the service area from which elected, if the qualifications of a valid director are otherwise met and service is received in the area from which elected.
- (b) Must take service from and be a member of the Cooperative.
- (c) May not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy to the Cooperative, or members of the Cooperative.
- (d) May not have been employed by the Cooperative or be the spouse of a former employee; provided, however, that such former employee or spouse shall be eligible to serve upon the expiration of five years from the conclusion of employment at the Cooperative.

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 meeting of the Board of Directors, and shall not affect the tenure and term of the directors serving at the time of the adoption of these amended by-laws.

The service areas of the Cooperative are shown by a map attached to these by-laws and the names of the directors now serving and the expiration of the terms of each director are as follows:

	Term	
Service Area	Director	Expiration
District No. 1	J. A. Wampler	2005
District No. 2	Jerry R. Brown	2004
District No. 3	Chris Burrow	2004
District No. 4	Jack Caperton	2006
District No. 5	J. Byron Ponder	2005
District No. 6	William C. McCain	2006
District No. 7	W. Wayne Beadles	2004
District No. 8	J. N. Bickerstaff	2006
District No. 9	A. B. Thompson Jr.	2005

The service areas of the Cooperative have been arranged with a view to maximum of efficiency in service rendered by the servicemen residing therein. The

boundaries of the service areas as they now exist shall not be changed or altered except pursuant to the service needs of the members arising from population shifts, changes in load patterns, changes in line locations and other factors relating only to the service needs of the members.

SECTION 4. Nomination. It shall be the duty of the Board of Directors to appoint, not less than sixty (60) days nor more than one hundred (100) days before the date of the meeting of the members at which Directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members, (a majority of which will constitute a quorum of the committee) who shall be selected in so far as possible, so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee so appointed shall meet at the principal office of the Cooperative not less than forty-five (45) days before the date of the meeting of the members at which Directors to be voted upon by the members. The nominees nominated by the nominating committee shall meet the qualifications as defined in Section 2 and Section 3 of this Article. The nominating committee shall at least forty-five (45) days before said meeting of members prepare and post at the principal office of the Cooperative, a list of the nominees by it nominated, but any thirty (30) or more members who are bona fide residents of a designated area of the Cooperative as outlined in Service Area and District Map Section 2 of this Article, may make other nominations for their area only, in writing over their signatures, such nominees to meet the qualifications for Directors as provided in Section 2 and Section 3 of this Article, and the Secretary shall post the same at the same place where the list of names nominated by the committee is posted. Nominations by petition shall be received in the headquarters office in Forrest City, Arkansas, not less than thirty (30) days nor more than sixty (60) days before the date of the meeting. The Secretary shall mail with the notice of the meeting of members a statement of the number of Directors to be elected and the number of the area from which each is to be elected and showing separately the nominations made by the Committee on nominations and the nominations made by petition, if any.

SECTION 5. Voting for Directors. The election of Directors shall be by mail ballot and only those nominees selected by the nominating committee or by petition shall be on the ballot, and there shall be no nominations permitted from the floor.

The order in which the names of the nominees shall appear on the ballot under their respective districts shall be determined by lot. Each candidate nominated for a position of director, or a duly designated representative, may serve on a special committee whose duty it will be to determine by lot the position on the ballot of the names

of the nominees. The board shall determine the time and place such committee shall meet. The candidate receiving the greatest number of votes cast in the balloting for each director position to be filled in the elections shall be deemed the winner of such director position. Should two or more candidates be involved in a tie vote, then such involved candidates will be given 48 hours to amicably resolve the issue and determine the winner. Upon failure to so resolve the issue, the Board of Directors shall treat the board position as vacant and shall determine a fair and equitable means of resolving the tie vote and declaring a winner of the board position in question. The Board shall establish a procedure for voting for directors by mail so that each member will receive the ballot in sufficient time for it to be marked and returned by noon of the day preceding the time set for the annual meeting. All ballots on the motions and resolutions submitted to the membership and the election of directors, must be received in the office of the Cooperative by not later than noon of the day preceding the meeting at which the ballots are to be voted. The election committee consisting of each of the candidates or a duly designated representative shall meet at noon on the day before the meeting to assist with or observe counting of ballots. If the proposition to be voted on does not include the election of directors, the Board of Directors shall appoint an election committee consisting of at least five (5) but not more than nine (9) members, none of whom shall be directors.

SECTION 6. Removal of Directors by Members.

- (A) A director may be removed for cause by the affirmative vote of a majority of the members.
- (B) "Cause" for removal shall mean that the director is alleged to have committed an act or omission adversely affecting the business and affairs of the Cooperative and amounting to gross negligence, fraud or criminal conduct.
- (C) No director shall be removed except upon certification that the following procedures have been followed:
 - (I) A written petition must be presented to the Board, which shall:
 - (a) Describe in detail each of the charges and basis therefor. If more than one director is sought to be removed, individual charges for removal shall be specified.
 - (b) Be signed by a minimum of 10% of the members of the Cooperative residing in the district from which the director is elected.
 - (ii) If the Board determines that the petition complies with paragraph (c) (I), and only if the Secretary certifies the authenticity of the petition, a meeting of the members shall be noticed in accordance with these Bylaws and shall be held within sixty (60) days after receipt by the Cooperative of the written petition.

(iii) At such meeting, evidence must be presented in support of the charges. The director shall be entitled to be represented by counsel and shall have the opportunity to refute and defend such charges and present evidence before a vote of the members is taken.

(D) Nothing contained herein, however, shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

SECTION 7. Vacancies. Subject to the provisions of these by-laws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

SECTION 8. Compensation. Board members shall not receive any salary for their services as directors, except that the Board of Directors may, by resolution, authorize a fixed sum for each day or a portion thereof spent on cooperative business, such as attendance at meetings, conferences and training programs or performing committee assignments when authorized by the board. Pursuant to the provisions of board resolution, the insurance premiums on insurance maintained by the cooperative may be paid for board members upon authorization by resolution of the board, including the payment heretofore made pursuant to board resolution.

If authorized by the board, directors may be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative 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 the board member or close relative shall have been certified by the board as an emergency measure.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings. A regular meeting of the board of directors shall be held without notice, on the date and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Woodruff, Cross, St. Francis, Phillips, Lee, Monroe or Prairie Counties, State of Arkansas, as the Board of Directors may provide by resolution.

SECTION 2. Special Meeting. Special meetings of the Board of Directors may be called by the Chairman or

by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of a special meeting to be given as hereinafter provided. The Chairman or the directors calling the meeting shall fix the time and place (which shall be in St. Francis County, Arkansas), for the holding of the meeting, unless the time and place of such meeting is waived in advance by all directors in writing.

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 (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman 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 the address as it appears on the records of the Cooperative, with postage 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 a 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 Chairman, Vice-Chairman, 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 meeting of the Board of Directors held immediately 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 the election and qualification of a successor. 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.

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SECTION 4. Chairman. The Chairman shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, and 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 to be executed, or these by-laws to some 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 Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 5. Vice-Chairman. If the Chairman is absent or unable or refuses to act, the Vice-Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned 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 by-laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof and 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 by-laws;
- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the Chairman, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members;
- (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 by-laws 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 by-laws and of all amendments thereto to each member requesting same; 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 by the Board of Directors.

SECTION 7. Treasurer. The Treasurer shall:

- (a) have charge and custody of and to be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for 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 by-laws; 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 by the Board of Directors.

SECTION 8. President/CEO. The Board of Directors may appoint a President/Chief Executive Officer(CEO) who may be, but who shall not be required to be, a member of the Cooperative. The President/CEO shall perform such duties and shall exercise such authority as vested by the Board of Directors, and shall serve at the pleasure of the board.

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 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 by-laws with respect to compensation for directors and close relatives of directors.

SECTION 11. Reports. The officers of the Cooperative shall submit at each 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.

**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 benefits 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 Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through 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 at the moment of receipt by the Cooperative 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. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of the 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 the 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 pursuance of a legal obligation to do so and the patron had then furnished to the Cooperative corresponding amounts for capital.

In the event of a dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise. After the effective date of these amended by-laws, and thereafter, the Board of Directors shall determine the methods, basis, priority and order of retirement, if any, for all amounts furnished as capital.

Notwithstanding any other provisions of these by-laws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representative of the patron's 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 provisions of these by-laws, to retire

capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative acknowledge that the terms and provisions of the articles of incorporation and by-laws 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. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all of any substantial portion of its property unless such sale, mortgage, lease or either disposition or encumbrance 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, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors 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 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 whenever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; or to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings in which the Cooperative holds memberships; provided further that the Board of Directors may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, unless a larger vote shall be required by law, sell, lease or otherwise dispose all or a substantial portion of its property to another Cooperative

doing business in this state pursuant to the Act under which this Cooperative is incorporated.

December of the same year.

**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 Arkansas."

**ARTICLE X
FINANCIAL TRANSACTIONS**

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

SECTION 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be 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. Change in Rates. So long as the Cooperative is indebted to the United States of America or any instrumentality thereof written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

SECTION 5. The Board of Directors shall determine by two-thirds vote the debt limit of the Cooperative, and may thereafter authorize the borrowing of money and pledging of assets of the Cooperative for any sums determined by the Board to be proper, so long as any borrowing does not cause the total debt of the Cooperative to exceed the debt limit so determined by the Board.

SECTION 6. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first (31st) day of

**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 members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of REA, or any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these by-laws. The attendance of a member or director at any meeting shall constitute a waiver or 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 power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these by-laws, 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 Electrification Administration of the United States of America. The Board of Directors shall also annually 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 at the office for inspection by any member at the office of the Cooperative.

SECTION 5. Nothing contained in these amended by-laws shall affect or alter in any manner the rights accruing under the capital credits plan adopted by the members of the Cooperative but in that respect shall be considered as being supplemental to the action taken by the membership.

ARTICLE XII

AMENDMENTS

These By-laws may be altered, amended or repealed by a vote of not less than two-thirds (2/3) of the members of the Board of Directors at any regular or special meeting.

(Revised 01/28/04)

Woodruff Electric Cooperative Corporation
P.O. Box 1619
Forrest City, AR 72336-1619

ADDRESS CORRECTION REQUESTED

WOODRUFF ELECTRIC COOPERATIVE CORPORATION
SERVICE AREA & DISTRICT MAP

