

Bylaws
of
Tri-County Rural Electric Cooperative, Inc.
Mansfield, Pennsylvania 16933
As amended, effective December 1, 2021

TABLE OF CONTENTS

ARTICLE I	MEMBERSHIP	4
	Section 1.01 Requirements for Membership	4
	2. Membership Certificates	4
	1.03 Joint Membership	4
	1.04 Purchase of Electric and/or Fiber Optic Service	5
	5. Grants of Easement	5
	6. Wiring	5
	7. Member Suspension	5
	8. Termination by Membership	6
	9. Non-Liability for Debts of the Cooperative	6
	10. Arbitration	6
ARTICLE II	MEETINGS OF MEMBERS	6
	Section 2.01 Annual Meeting	6
	2. Special Meetings	6
	3. Notice of Members' Meetings	6
	4. Voting	7
	2.05 Order of Business	7
ARTICLE III	BOARD MEMBERS	7
	Section 3.01 General Powers	7
	3.02 Election and Tenure of Office	7
	3.03 Qualifications	8
	3.04 Nominations	8
	3.05 Election and Credentials Committee	9
	3.06 Districts	9
	3.07 Vacancies	9
	3.08 Compensation	9
	3.09 Removal of a Director by the Membership	9
	3.10 Removal of a Director by the Board	10
	3.11 Limitation of Personal Liability of Directors	10
	3.12 Standard of Care and Justifiable Reliance	10
	3.13 Indemnification in Third Party Proceedings	11
	3.14 Indemnification in Derivative Actions	11
	3.15 Determination of Entitlement to Indemnification	11

	3.16	Nonexclusivity and Supplementary Coverage	11
	3.17	Advance Payment of Expenses	12
	3.18	Indemnification of Former Representatives	12
	3.19	Insurance	12
	3.20	Reliance on Provisions	12
ARTICLE IV.		BOARD MEETINGS	12
	Section 4.01	Regular Meetings	12
	4.02	Special Meetings	12
	4.03	Quorum	12
	4.04	Waiver of Notice	13
ARTICLE V		OFFICERS	13
	Section 5.01	Number	13
	5.02	Election and Term of Officers	13
	5.03	Removal of Officers and Agents by the Board	13
	5.04	Chairman	13
	5.06	Vice Chairman	13
	5.06	Secretary	13
	5.07	Treasurer	14
	5.08	President & CEO	14
ARTICLE VI		NON-PROFIT OPERATION	14
	Section 6.01	Interest or Dividends on Capital Prohibited	14
	6.02	Patronage Capital in Connection with Furnishing Service	14
ARTICLE VII		DISPOSITION OF PROPERTY	15
	Section 7.01	Transfer of Cooperative Assets	15
	7.02	Distribution of Cooperative Assets upon Dissolution	15
ARTICLE VIII		MISCELLANEOUS	15
	Section 8.01	Checks, Drafts, Etc.	15
	8.02	Fiscal Year	15
	8.03	Membership in Other Organizations	15
	8.04	Action, Contract, Policies, Rules and Regulations	15
	8.05	Governing Law	16
	8.06	Titles and Headings	16
	8.07	Partial Invalidity	16

8.08	Cumulative Remedies	16
8.09	Entire Agreement	16
8.10	Successors and Assigns	16
8.11	Waiver	16
ARTICLE IX	AMENDMENTS	16

**BYLAWS OF
TRI-COUNTY RURAL ELECTRIC COOPERATIVE, INC.**

ARTICLE I

MEMBERSHIP

Section 1.01. REQUIREMENTS FOR MEMBERSHIP. Any individual or an entity, with the capacity to enter into legally binding contracts, will become a member of Tri-County Rural Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric and/or fiber optic service provided that they first have:

- a. made a written application for Membership (which may include an online application);
- b. agreed to purchase electric service from the Cooperative or fiber optic service from Tri-Co Connections, LLC;
- c. agreed to be bound by and comply with the Cooperative Articles of Incorporation, Bylaws, and any and all rules and regulations adopted by the Board as existing and/or as later adopted or amended.

Those who qualify to become a member may hold no more than one (1) membership in the Cooperative. If a Member purchases both electric service at their primary principal residential abode and fiber optic service, such Member shall be treated as an electric service Member for purposes of assigning a Member to a District under Section 3.06 hereof.

Section 1.02. MEMBERSHIP CERTIFICATES. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as may be determined by the Board.

Section 1.03 JOINT MEMBERSHIP. Spouses 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 joint membership. The term "member" as used in these bylaws shall apply to holders of joint memberships and, except as otherwise provided, a joint member has and enjoys the rights, benefits, and privileges, and is subject to the obligations, requirements, and liabilities of being a member. A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and spouse to comply with the cooperative's bylaws, policies, and rules and regulations. The outstanding membership certificate shall be surrendered and shall be reissued by the cooperative in such a manner to indicate the changed membership status. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to 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 (1) member and shall constitute a joint waiver of notice of the meeting;

- b. Notice to a joint member shall constitute notice to all joint members;
- c. If only one (1) joint member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the joint membership and constitutes one (1) vote, signature, or action;
- d. If more than one (1) joint member votes on a matter, signs a petition, consent, waiver, or other document, or otherwise acts, then each vote, signature, or action divided equally between the joint members;
- e. Upon the death of either spouse or adult of a joint membership, such membership shall continue to be held solely by the survivor, and in the same manner and to the same effect as though such membership had never been joint; provided that the estate of the deceased shall not be released from any debts due the Cooperative;
- f. Joint members shall provide written notice to the Cooperative of their failure to meet the requirements of joint membership. Upon determining or discovering the failure to meet the requirements joint membership, the Cooperative may amend the joint membership as follows: if one joint member remains qualified to be a member and continues to use electric service at the same location, then the joint membership converts to a membership comprised of the remaining member;
- g. Expulsion of any joint member may terminate the joint membership

Section 1.04. PURCHASE OF ELECTRIC AND/OR FIBER OPTIC SERVICE. The Cooperative shall provide members with reasonably available electric service and may provide fiber optic service through Tri-Co Connections, LLC. The Cooperative cannot and does not insure or guarantee an adequate continuous or uninterrupted supply of electric or fiber optic service. The Cooperative shall not be liable for damages due to variations or cessation in service. Each member agrees and acknowledges that the Tri-Co Connections, LLC fiber optic service are being installed at and when determined by Tri-Co Connections, LLC and no member has the right to expect that such services will be extended to include any particular member. Each electric service member shall, as soon as electric service is available, purchase from the Cooperative all electric service used on the premises specified in the application for membership, and shall pay therefore all fees, rates and charges as shall be established by the Cooperative. It is expressly understood that amounts paid for electric service provided by the Cooperative are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these Bylaws and as otherwise directed pursuant to Section 6.02 of these bylaws regarding patronage capital in connection with furnishing service. Each electric service member shall pay to the Cooperative such minimal amount for distribution of electric service regardless of the amount of electric energy consumed as shall be fixed by the Cooperative. Each member shall also pay all amounts owed to the Cooperative, if and when the same shall become due and payable.

Section 1.05. GRANTS OF EASEMENT. As required by the Cooperative for a Cooperative purpose, a member shall provide the Cooperative safe and reliable access to or use of member property. Each member shall execute and deliver to the Cooperative grants of easement or right-of-way on/or over such lands owned by the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of service (whether electric or fiber optic) to that or any other member or project or for the construction, operation and maintenance, or the relocation of the Cooperative's facilities. The grant of said easements or rights of way shall be granted by the member without reimbursement by the Cooperative or other members.

Section 1.06. WIRING. Each member shall cause all premises covered by their membership to become and remain wired in accordance with current codes and/or the specifications adopted by the legislature and/or Cooperative. Each member shall be responsible for and shall indemnify the Cooperative against injury, loss or damage resulting from defect in or improper use or maintenance of the member's premises, wiring and any apparatus connected thereto.

Section 1.07. MEMBER SUSPENSION. The Cooperative may suspend a member placing them in an inactive status for the following reasons:

- a. as provided by the rules of Cooperative;
- b. the Board may, by the affirmative vote of not less than two-thirds (2/3) of all members of the Board, suspend any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board but only if such member shall have been given written notice by the Cooperative that such failure makes them liable to suspension and such failure shall have continued for at least ten (10) days after such notice was given;
- c. the member is no longer qualified to be a member;
- d. the member does not timely pay an amount due to the Cooperative or Tri-Co Connections, LLC, provided however, the Cooperative shall not suspend electric services for the failure of a member from paying for fiber optic service supplied by Tri-Co Connections, LLC;
- e. the member ceases using either the Cooperative's electric service or Tri-Co Connections, LLC services, as applicable;
- f. the member's death, dissolution, or cessation of legal existence.

Upon a member's suspension:

- a. The Cooperative's duties, obligations, and liabilities to the member, other than Capital Credits and dissolution, cease.
- b. The member forfeits and relinquishes all its rights from the Cooperative, other than Capital Credits and dissolution, but remain subject to obligations imposed by the Cooperative. A suspended member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as a member of the Cooperative.
- c. Suspension of membership in any manner shall not release a member or their estate from any debts due the Cooperative.

Section 1.08. TERMINATION OF MEMBERSHIP. Membership shall terminate upon final Capital Credit payment to a member in an inactive status or eligible for inactive status.

Termination of membership in any manner shall not release a member or their estate from any debts due the Cooperative.

Section 1.09. 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 1.10: ARBITRATION. A member shall upon request by the Cooperative, submit a claim or dispute between the Member and the Cooperative about the Governing Documents, the Cooperative's Provision of a Service, or the Member's Use of a Cooperative Service to arbitration in accordance with the rules and procedures prescribed by the American Arbitration Association, and comply with the final arbitration award.

ARTICLE II

MEETINGS OF MEMBERS

Section 2.01. ANNUAL MEETING. The Annual Meeting shall be held each year at such place as selected by the Board. It shall be designated in the notice of the 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. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2.02. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the Board, or by the chairman upon a written request signed by a majority of the Board, or upon a written request signed and dated within ninety (90) days by thirty percent (30%) 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. Fifty percent (50%) of the membership, present in person, at such special meeting shall constitute a quorum for transaction of business.

Section 2.03. NOTICE OF MEMBERS' MEETINGS. The Board shall cause written or printed notice stating the place, day and hour of the meeting and in case of a special meeting or an Annual Meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) days or more than forty-five (45) days before the date of the meeting either personally, or by mail or electronic means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail to the member at the address as it appears on record of the Cooperative, with postage thereon prepaid. If sent by electronic means, such notice shall be deemed to be delivered when sent to the member at the electronic address as it appears on record of the Cooperative. 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.

If the Board does not notify the membership of a special member meeting within ninety (90) days of receiving a request for a member meeting, then a member signing the member meeting request may set a reasonable time, place, and location for the special member meeting and shall cause notice provided in accordance herewith.

Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any official action thereafter taken by the Board of Directors.

Section 2.04. VOTING. Each member who is not in a status of suspension, as provided for in Article I, Section 1.07, shall be entitled to only one (1) vote upon each matter submitted to a vote at any meeting of the members, except that a member shall not have a vote in the election of Directors from a district in which they are not a member.

At all meetings of the members, all questions shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes.

In the election of Directors, if so authorized by the Board, members may vote by mail ballot or electronic ballot, unless they are present in person in which case they may vote in person if they have not already voted by mail ballot, PROVIDED, members may not vote by mail ballot when such an election occurs because of the removal of a Director pursuant to Article III, Section 3.09, in which case the vote shall be conducted pursuant to that section. If so authorized by the Board, members may vote by mail ballot or electronic ballot on other matters, in accordance with the procedures and conditions established by the Board. All mail or electronic balloting shall be conducted so that the ballots will be returned to the Election and Credentials Committee and so handled that, although the identity of the members so voting may be determined, how such members actually cast their mail or electronic ballots may not. If a member votes by mail or electronic ballot with respect to a matter, they shall not be permitted to vote in person on that matter at the meeting. "Mail Ballots" shall include not only ballots that are returned by mail but also any ballots that are otherwise delivered to the Cooperative's Election and Credentials Committee.

Section 2.05. ORDER OF BUSINESS. The order of business for any member meeting shall be as directed by the Board.

ARTICLE III

BOARD MEMBERS

Section 3.01. GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a Board, 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 for the members.

Section 3.02. ELECTION AND TENURE OF OFFICE. Except as otherwise provided in these Bylaws, a Director's term is three (3) years or until a successor Director is elected, designated, or appointed. Terms of all the Directors shall be on a staggered basis, with approximately one-third (1/3) of the Directors (representing one-third (1/3) of the designated districts) elected each year. Except as provided in Article III, Section 3.09, each Director shall be elected by only those members residing in or, in the case of non-natural person members, being located in the district which they shall represent. If an election of Directors shall not be held on the day designated herein for the Annual Meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Directors within a reasonable time thereafter. Directors may be elected by a plurality vote of the members. In the event of a tie vote in the election of Directors, such tie vote will be resolved by drawing lots.

Section 3.03. QUALIFICATIONS. To be eligible to become and remain a Director for the Cooperative a member must meet and comply with the following general qualifications:

- a. be a natural person, a United States Citizen, having the capacity to enter legally binding contracts;
- b. in the case of an electric service district, is a member receiving electric service from the Cooperative at their primary principal residential abode for three hundred sixty-five (365) consecutive days immediately prior to the last date fixed for the filing of nomination petitions for Directors, and is a member and bona fide primary principal resident of the particular district which they are to represent;
- c. in the case of the fiber optic service district, is a member who is purchasing Tri-Co Connections, LLC fiber optic service at their bona fide primary principal residential abode and is not otherwise a member of the cooperative by virtue of the purchase of electric service;
- d. is a member in good standing and willing to undergo a background check conducted by the Cooperative. A member in good standing, as used in these Bylaws, shall not include any member who: has any Cooperative or Tri-Co Connections, LLC accounts in a delinquent status; has plead guilty or has lawfully been convicted of any crime, the victim of which is the Cooperative or Tri-Co Connections, LLC; has plead guilty to or is lawfully convicted of a crime of dishonesty which by statute carries a possible sentence of one (1) year or more in prison; has been declared of unsound mind by an order of a court; has been removed (other than by the election process) in the past by the membership or the Board; has been convicted of a felony or a crime involving moral turpitude; or is engaged in litigation against the Cooperative or Tri-Co Connections, LLC within three (3) years immediately prior to the last date fixed for filing of nomination petitions of Directors;
- e. high school degree or equivalency
- f. shall complete an Oath of Office, agree to comply with all Cooperative Bylaws and policies, and comply with any and all other qualifications as determined by the Board.

Upon establishment of the fact that a Director is holding the office in violation of any of the foregoing provisions, the Board 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.

Section 3.04. NOMINATIONS. Fifteen (15) or more members in a district in which the election of a Director is scheduled to take place at the next meeting of members and acting together over their signatures, not less than one hundred twenty (120) days prior to a meeting of the members at which the election of Directors shall take place, may make a nomination by a petition provided by the Cooperative in a format approved by the Board. The Board shall cause to be delivered to all the members of each district in which an election of a Director is scheduled to take place at the next meeting of the members, with the notice of the meeting, or separately, but at least twenty (20) days prior to the date of the meeting, a statement of the persons nominated for Director from such district, their addresses, and the term for which nominated. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail to the member at the address as it appears on record of the Cooperative, with postage thereon prepaid. If sent by electronic means, such notice shall be deemed to be delivered when sent to the member at the electronic address as it appears on record of the Cooperative.

In the event no person is nominated for Director in a district in which the election of a Director is scheduled to take place at a meeting of the members, or in the event those persons so nominated, at the time of the meeting of the members have died, removed themselves from the district from which they have been nominated or for other good cause will be unable to serve as a Director if elected, the Chairman at such meeting shall call for nominations from the floor for such district, which nominations may be made by any members of the Cooperative, and nominations shall not be closed until at least one (1) minute has passed during which no additional nominations have been made. Any member of the Cooperative shall be permitted to vote for Directors nominated from the floor.

Section 3.05. ELECTION AND CREDENTIALS COMMITTEE. No later than December 31st of the year preceding each Annual Meeting, the Board shall appoint an Election and Credentials Committee consisting of one (1) member in good standing from each district, who are not members of the same household of existing Directors or known candidates for Directors to be elected at such meeting.

The Committee shall elect its own Chairperson and Secretary prior to the member meeting. During the election process, it shall be the responsibility of the Committee to ensure that a candidate that is to become a Director of the Cooperative shall meet the qualifications required by the Bylaws and policies of the Cooperative, and to establish or approve the manner of conducting any ballot voting, to pass upon all questions that may arise with respect to any election or in any other ballot vote taken, to rule upon the effect of any ballots irregularly or indecisively marked, and to pass upon any protest or objection filed with respect to any election or to any conduct affecting the results of any election.

In event a protest or objection is filed concerning any election, such protest or objection must be filed in writing signed and received within three (3) business days following the adjournment of the meeting in which the election is conducted. The Committee shall thereupon be reconvened, within fifteen (15) business days after such protest or objection is filed. The committee shall hear such evidence as is presented by the protester(s) who may be heard in person, by counsel, or both; and the Committee, by vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, as reflected by a majority of those actually present and voting on all such matters which may be either to affirm or change the results of the election or to set aside such election. The Committee's decision shall be final.

Section 3.06. DISTRICTS. The territories served, or to be served by the Cooperative shall be divided into not less than nine (9) districts. All but one (1) District will be divided among the electric service Members, based on equitable considerations as determined by the Board. The Board shall periodically review the composition of the districts to see if significant inequalities in representation have developed. If

inequalities are found, the Board shall reconstitute the districts in accordance with this section. The other district will be for the fiber optic only Members. Directors of the electric service districts shall have their primary residence within their designated district and shall purchase Cooperative electric service from such residence. The Director for the fiber optic service district shall have their primary residence within the designated district and shall purchase Tri-Co Connections, LLC fiber optic service from such residence.

Section 3.07. VACANCIES. A vacancy shall occur upon death, resignation, removal, or absence at four (4) consecutive regularly conducted meetings and/or one-half of the regularly conducted meetings within a twelve (12) month period. In the event of a vacancy, the Board shall appoint a qualified person to fill such vacancy for the unexpired portion of the vacant Director's term.

Section 3.08. COMPENSATION. A Director is not an employee of the Cooperative. As determined or approved by the Board however the Cooperative may reasonably reimburse, compensate, or provide other benefits to Directors.

Section 3.09. REMOVAL OF DIRECTOR BY THE MEMBERSHIP. Any member in active status may bring charges against a Director by filing with the Cooperative Secretary such charges in writing together with a petition, signed within sixty (60) days prior to submission by at least thirty percent (30%) of the members, which requests removal of such Director by reason thereof:

- a. identifying the Director on each page;
- b. explaining, on each page, the basis for the Directors removal; and
- c. has member's printed name, address and dated original signature.

Within forty-five (45) days of receipt of a Director removal petition, the Board shall meet to review the petition to ensure compliance of the petition. If the Director removal petition complies with the requirements set forth in this section, then the Cooperative shall hold a special member meeting within forty-five (45) days thereof for the purpose of making a determination as to removal. The Board shall establish the procedures to be followed when considering the removal petition at the special member meeting. Such procedures shall ensure that due process is afforded to the Board member whose removal is at issue. Such process shall specifically include the ability of all interested parties to present evidence at the special meeting. To remove a Director, it shall take a two-thirds (2/3) vote of the quorum present and in person at the special meeting. If removal is granted at the special member meeting, a vacancy shall occur. The decision of the membership issued in regards to removal shall be final.

Section 3.10. REMOVAL OF A DIRECTOR BY THE BOARD. Any Director may bring charges against another Director by filing with the Cooperative Secretary such charges in writing together with a petition, signed within sixty (60) days prior to submission by at least thirty percent (30%) of the Board, which requests removal of such Director by reason thereof:

- a. identifying the Director on each page;
- b. explaining, on each page, the basis for the Directors removal, which may include but not limited to failure to meet Director qualifications as stated in Section 3.03 of this Article, or for other proper cause, including but not limited to violations of fiduciary duty expected of a Director, self dealing, incapable or unwilling to perform the functions expected of a director, a conflict of interest, or personal conduct which would likely cast doubt on the integrity of the Cooperative, the member(s), the Board and/or its other Directors; and
- c. has Director's printed name, address, and dated original signature.

Within forty-five (45) days of receipt of a Director removal petition, the Board shall meet to review the petition to ensure compliance of the petition. If the Director removal petition complies with the requirements set forth in this section, then the Board shall hold a meeting within forty-five (45) days thereof for the purpose of making a determination as to removal. The Board shall establish the procedures to be followed when considering the removal. Such procedures shall ensure that due process is afforded to the Board member whose removal is at issue. Such process shall specifically include the ability of all interested parties to present evidence at the meeting. To remove a Director, it shall take a two-thirds (2/3) vote of the Board present and in person at the meeting. If removal granted, a vacancy shall occur. The decision of the Board issued in regards to removal shall be final.

Section 3.11. LIMITATION OF PERSONAL LIABILITY OF DIRECTORS. A Director of the Cooperative shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- a. the Director has breached or failed to perform the duties of their office as defined in Article III, Section 3.12; and
- b. the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to (1) the responsibility or liability of a Director pursuant to any criminal statute or (2) the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Section 3.12. STANDARD OF CARE AND JUSTIFIABLE RELIANCE. The Board, committees of the Board and individual Directors shall discharge their duties in good faith, in a manner they reasonably believe to be in the best interest of the Cooperative, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing their duties, a Director shall be entitled to rely in good faith on information, opinions, and reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- a. One or more officers or employees of the Cooperative whom the Director reasonably believes to be reliable and competent in the matters presented.
- b. Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person.
- c. A committee of the Board upon which they do not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith, if they have knowledge concerning the matter in question that would cause their reliance to be unwarranted.

In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interests of the Cooperative, consider the effects of any action upon employees, upon persons with whom the Cooperative has business and other relations and upon communities which the offices or other establishments of or related to the Cooperative are located, and all other pertinent factors. The consideration of those factors shall not in itself constitute a violation of this section.

Section 3.13. INDEMNIFICATION IN THIRD PARTY PROCEEDINGS. The Cooperative may indemnify any person who was or is party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or

in the right of the Cooperative) by reason of the fact that they are or was a representative of the Cooperative, or is or was serving at the request of the Cooperative as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit or proceeding if they acted in good faith and in a manner reasonably believed to in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in, or not opposed to, the best interest of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful.

Section 3.14. INDEMNIFICATION IN DERIVATIVE ACTIONS. The Cooperative may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Cooperative to produce a judgment in its favor by reason of the fact that they are or was representative of the Cooperative, or is or was serving at the request of the Cooperative as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if they acted in good faith in a manner they reasonably believed to be in, or not opposed to, the best interest of the Cooperative and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Cooperative unless and only to the extent that the Court of Common Pleas of Tioga County or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the said Court of Common Pleas or such other court shall deem proper.

Section 3.15. DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION. Unless ordered by a court, any indemnification under Article III, Section 3.13 or Section 3.14 shall be made by the Cooperative only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because they have met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- a. by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or
- b. if such quorum is not obtainable, or even if obtainable, if a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 3.16. NONEXCLUSIVITY AND SUPPLEMENTARY COVERAGE. The provisions of Article III, Section 3.13 and Section 3.14, or any other provisions of law providing for indemnification or advancement of expenses applicable to the Cooperative shall not be deemed exclusive of any other rights to which Cooperative representatives seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members or disinterested Directors or otherwise. The Cooperative may create a fund of any nature, which may, but not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to Article III, Section 3.13 and Section 3.14 or otherwise. Indemnification, however, shall not be made in any case where the act of failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 3.17. ADVANCE PAYMENT OF EXPENSES. Expenses incurred by a Director, officer, employee or agent of the Cooperative in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding upon receipt of an

undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that they are not entitled to be indemnified by the Cooperative.

Section 3.18. INDEMNIFICATION OF FORMER REPRESENTATIVES. The indemnification and advancement of expenses provided by, or granted pursuant to, the provisions of Sections 3.13, 3.14, 3.15, 3.16 and 3.17 of this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 3.19. INSURANCE. The Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Cooperative or is or was serving at the request of the Cooperative as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Cooperative would otherwise have the power to indemnify such persons against such liability.

Section 3.20. RELIANCE ON PROVISIONS. Each person who shall act as an authorized representative of the Cooperative shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE IV

BOARD MEETINGS

Section 4.01. REGULAR MEETINGS. The Board shall meet regularly at the date, time, and location as determined by the Board. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof, provided that a copy of such resolution shall be delivered to any Director not present when it was adopted, at least five (5) days prior to the first regular meeting held pursuant thereto delivered to such Director either personally, by mail, or electronic means. If mailed or sent via electronic means, such notice shall be deemed to be delivered when sent.

Section 4.02. SPECIAL MEETINGS. Special meetings of the Board may be called by the Chairman or by any three (3) Directors and, it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Directors calling the meeting shall fix the time and place of the holding of the meeting.

Five (5) days written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Director either personally, by mail, or electronic means by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Director calling the meeting. If mailed or sent via electronic means, such notice shall be deemed to be delivered when sent.

Section 4.03. QUORUM. A majority of the Board present at the beginning of a meeting shall constitute a quorum. 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, except as otherwise provided in these Bylaws.

Section 4.04. WAIVER OF NOTICE. Any Director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of the Director at any meeting shall constitute a waiver of notice of such meeting by such Director, except in case a 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.

ARTICLE V

OFFICERS

Section 5.01. 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. The offices of Secretary and Treasurer may be held by the same person.

Section 5.02. ELECTION AND TERM OF OFFICERS. The officers shall be elected by ballot, annually by and from the Board at the first meeting of the Board 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 may be convenient. Each officer shall hold office until meeting of the Board following the next succeeding Annual Meeting of the members, or until their successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 5.03. REMOVAL OF OFFICERS AND AGENTS BY THE BOARD. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 5.04. CHAIRMAN. Except as otherwise provided by these Bylaws, the Chairman:

- a. shall preside, or designate another individual to preside, at all Board and Member Meetings;
- b. on the Cooperative's behalf, may sign a document properly authorized or approved by the Board or Members;
- c. shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board; and
- d. no person shall be eligible to serve as Chairman for more than four (4) consecutive one-year terms. After the lapse of at least three (3) years from the expiration of a former Chairman's term of office, they shall again be eligible to be elected Chairman.

Section 5.05. VICE CHAIRMAN. In the absence of the Chairman, or in the event of their inability or refusal 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 may be assigned to them by the Board.

Section 5.06. SECRETARY. Except as otherwise provided by these Bylaws, the Secretary:

- a. shall be responsible for preparing, or supervising the preparation of, minutes of Board and Member Meetings;
- b. shall be responsible for maintaining and authenticating the Cooperative's records;
- c. may affix the Cooperative's seal to a document authorized or approved by the Board or Members; and
- d. shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

Section 5.07. TREASURER. Except as otherwise provided by the Bylaws, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board. The office of Secretary and Treasurer may be held by the same Director, as determined by the Board.

Section 5.08. PRESIDENT & CEO. The Board may appoint a President & 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 the Board may vest in them.

ARTICLE VI

NON-PROFIT OPERATION

Section 6.01. 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 members. No interests or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

Section 6.02. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING SERVICE. In the furnishing of electrical service by the Cooperative and fiber optic service through Tri-Co Connections, LLC, to members, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric service and fiber optic service to members through Tri-Co Connections, LLC in excess of operating costs and expenses properly and separately chargeable against the furnishing of electrical service or fiber optic service, as applicable. All such member-generated 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 members as capital. In computing its patronage dividend obligation under this Section 6.02, the Cooperative shall take into account the Cooperative's interest in the operations of Tri-Co Connections, LLC, as if such amounts were earned or incurred directly by the Cooperative. The Board of Directors shall determine whether the provision of electric services shall be treated as a different allocation pool of earnings from the fiber optic service income or whether both shall be treated as a single allocation pool and, if applicable, the allocation of expenses between the electric and fiber optic service. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to their account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

The Board shall have complete discretion and authority to determine the handling and ultimate disposition of the Cooperative's patronage sourced losses, as well as the form, priority and manner in which such losses or portions thereof shall be taken into account, retained and ultimately disposed of or recovered. Without limiting the generality of the foregoing, the Board of Directors may determine to cause any such patronage losses to be retained by the Cooperative and subsequently disposed of:

- (1) By offsetting other pools of income;
- (2) By offset against net earnings of the Cooperative in one or more subsequent years;
- (3) By application to the patronage allocations of the Cooperative for one or more prior years through offset and cancellation against patrons' capital credits or other equity account balances;
or
- (4) By any other method of disposition (or combination of methods) as the Board of Directors, in its sole discretion, shall determine from time to time to be in the Cooperative's best interest.

If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part.

The Board shall determine the method, basis, priority, guidelines and order of retirement, if any, for all amounts heretofore and hereafter furnished as patronage capital. At the Board's discretion, the Cooperative may establish a program to retire some or all Capital Credits before the time it anticipates normally retiring and paying Capital Credits allocated to the member or former members. If the Board

determines that establishing such a program is in the best interests of the Cooperative, the Cooperative must pay the net present value of the allocated amount of retired Capital Credits; and the amount of Capital Credits not paid must be retained in the name of the Member or former members and paid to the Member or former Members upon the Cooperative's dissolution, liquidation, or other cessation of the Cooperative's existence. In addition, the Cooperative may use any capital credits to be refunded to past members to satisfy any outstanding debts due the Cooperative from the past member until such balance is satisfied in full.

Capital credited to the account of each member 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 member's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of his estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provide, however, that the financial condition of the Cooperative will not be impaired thereby.

ARTICLE VII

DISPOSITION OF PROPERTY

7.01. TRANSFER OF COOPERATIVE ASSETS. Except for a sale, lease, exchange, disposition, conversion, or other transfer ("transfer") of Cooperative assets: (1) to secure indebtedness; (2) pursuant to condemnation or threat of condemnation; (3) pursuant to an existing legal obligation; (4) associated with a consolidation or merger with an entity operating on a Cooperative basis provided the board approves the proposed merger or consolidation with a two-thirds (2/3) majority vote of the Directors; (5) consisting of the Cooperative's ownership in an entity; or (6) to a Cooperative subsidiary, the Cooperative may transfer all or any substantial portion of the Cooperative's assets only if:

- a. the board approves the proposed transfer;
- b. the transfer is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative; and
- c. the notice of such proposed transfer is contained in the notice of the member meeting.

Section 7.02. DISTRIBUTION OF COOPERATIVE ASSETS UPON DISSOLUTION. Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid, the Cooperative shall then retire and pay all allocated capital credits. Any remaining assets of the Cooperative shall then be distributed among the active members.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. 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 and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall be determined by resolution of the Board. All funds except petty cash of the Cooperative shall be deposited to the credit of the Cooperative in such bank or banks as shall be determined by resolution of the Board.

Section 8.02. FISCAL YEAR. The Board may determine and modify the Cooperative's fiscal year. Except as otherwise provided by the Board, the Cooperative's fiscal year is the calendar year.

Section 8.03. 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 at a duly held regular or special meeting of the Board.

Section 8.04. ACTION, CONTRACT, POLICIES, RULES AND REGULATIONS. Except as otherwise provided in these Bylaws, the Board 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. The Board shall have power to take any action, enter into any contract, and make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation of these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

Section 8.05. GOVERNING LAW. These Bylaws must be governed by, and interpreted under, the laws of the state in which the Cooperative is incorporated.

Section 8.06. TITLES AND HEADINGS. Titles and headings of Bylaw articles, sections, and subsections are for convenience and reference, and do not affect the interpretation, construction, or application of a Bylaw article, section, or subsection.

Section 8.07. PARTIAL INVALIDITY. When reasonably possible, every Bylaw article, section, subsection, paragraph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of a Bylaw Provision by an Entity possessing proper jurisdiction and authority, which invalidation does not alter the fundamental rights, duties, and relationship between the Cooperative and members, does not invalidate the remaining Bylaw Provisions.

Section 8.08. CUMULATIVE REMEDIES. The rights and remedies provided in these Bylaws are cumulative. The Cooperative or a member asserting a right or remedy provided in these Bylaws does not preclude the Cooperative or member from asserting other rights or remedies provided in these Bylaws.

Section 8.09. ENTIRE AGREEMENT. Between the Cooperative and a member, the Governing Documents: (1) constitute the entire agreement; and (2) supersede and replace a prior or contemporaneous oral, written, or electronic communication or representation.

Section 8.10. SUCCESSORS AND ASSIGNS. Except as otherwise provided in these Bylaws: (1) the duties, obligations, and liabilities imposed upon, and the rights granted to, the Cooperative by these Bylaws are binding upon, and inure to the benefit of, the Cooperative's successors and assigns; and (2) the duties, obligations, and liabilities imposed upon a member by these Bylaws are binding upon the member's successors and assigns. The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative or a member does not relieve the Cooperative or member of the duties, obligations, and liabilities imposed by these Bylaws.

Section 8.11. WAIVER. The failure of the Cooperative to assert a right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

Section 8.12. SCOPE OF SERVICES: Provide and/or cooperate in services that enhance the quality of life for the membership, which may include but not be limited to the transmission and distribution of energy, telecommunications, and/or information services, and services related thereto, to members as well as to their wider communities.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors at any regular or special meeting, and the notice of the meeting shall contain a copy of the proposed alteration, amendment, or repeal to be considered at the meeting.