

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

- a. Making a written application for membership therein;
- 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 rules and regulations adopted by the Board of Directors; and
- d. Paying any service fees, security fees, facilities extension deposits or contributions in aid of construction as may be required by the Board of Directors;

Upon complying with the requirements set forth in these bylaws, any applicant shall automatically become a member on the date of his/her connection for electric service; provided that the Board of Directors may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application could be denied for other good cause. No member may hold more than one (1) membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in the bylaws.

At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the Cooperative, all applications received more than ninety (90) days prior to such meeting which have not been accepted or which have been rejected by the Board of Directors shall be submitted by the Secretary to such meeting and subject to compliance by the application may be accepted by vote of the members. The Secretary shall give each such applicant at least ten (10) days written notice of the date of the members' meeting to which his/her application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

SECTION 2. Membership Certificates: Membership in the Cooperative shall be evidenced by a membership certificate, which shall be in such form and shall contain provisions as shall be determined by the Board of Directors. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative, as the Board of Directors shall prescribe.

SECTION 3. Joint Membership: A husband and wife may apply for a joint membership and, subject to their compliance with requirements set forth in Section I of this Article, may be accepted for such membership. The term "Member" as used in these bylaws 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 the meeting of either or both shall be regarded as the presence of one (1) member and shall have
The effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
- b. The vote of either separately or both jointly shall constitute one (1) joint vote;
- c. A proxy executed by either or both shall constitute one (1) joint proxy;
- d. A waiver of notice signed by either or both shall constitute a joint waiver;
- e. Notice to either shall constitute notice to both;
- f. Expulsion of either shall terminate the joint membership;
- g. Withdrawal of either shall terminate the joint membership;
- h. Either but not both may be elected or appointed as an officer or Director provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership: (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Directors. The outstanding membership certificate shall be canceled, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status. (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be canceled, and shall be reissued in such manner as shall indicate the changed membership status.

SECTION 5. Service Fees, Security Fees, Facilities Extension Deposits or Contributions in Aid of Construction: Certain fees may be fixed from time to time by the Board of Directors. Any service security deposit, service connections deposit, facilities extension deposit, contribution in aid of construction or any combination thereof, if required by the Cooperative, shall entitle the member to one (1) service connection.

SECTION 6. Purchase of Electric Energy: Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in the application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board of Directors; provided, however, that the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one

(1) member. It is expressly understood that, amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as each member shall also pay all amounts owed by him/her to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership: (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative, may, by the affirmative vote of not less than two-thirds of all the Directors, expel any member who fails to comply with any of the provision of the articles of incorporation, bylaws or rules and 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 makes him/her liable to 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 to them has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy form the Cooperative, shall 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 canceled. Termination of membership in any manner shall not release a member of the estate from debts due the cooperative. (c) In case of withdrawal, or termination of membership in any manner, the Cooperative shall repay to the member the amount of any fee or deposit paid in cash by him/her, provided, however, that the Cooperative shall deduct from the amount of the fee or deposit the amount of any debts or obligations owing from the member to the Cooperative; and, provided further however, that any fee or deposit which has been paid , in whole or part, by the application of capital credited to the account of nonmember patron as provided in the bylaws, shall be repaid to the member only in accordance with the provision of these bylaws with respect to the retirement of patronage capital.