

**SECTION 1. General Powers:** The business and affairs of the Cooperative shall be managed by a board of six (6) directors, one (1) from each district of the project area that are as follows:

**District 1.** Township 112N Range 53W, Township 111N Range 53W, Township 111N Range 54W, and farms located in Hamlin County across the county line which are in Township 113N Range 53W, also farms located in Brookings County across the county line which are in Township 111N Range 52W, and Township 112N Range 52W.

**District 2.** Township 112N Range 54W, Township 112N Range 55W, Township 111N Range 55W and farms located in Hamlin County across the county line which are in Township 113N Range 54W, and Township 113N Range 55W.

**District 3.** Township 112N Range 56 W, Township 112N Range 57W, Township 111N Range 57W, and all farms located in Clark County across the county line which are in township 113N Range 56W, and Township 113N Range 57W.

**District 4.** Township 112N Range 58W, Township 111N Range 58W, Township 110N Range 58W, and all farms located in Beadle County across the county line which are in Township 112N Range 59W, Township 111N Range 59W, and Township 110N Range 59W, and farms located across the Congressional Township line in Township 109N Range 58W, Township 110N Range 57W, Township 109N Range 57W, Township 109N Range 56W, and farms located across the county line in Miner County in Township 108N Range 56W, Township 108N Range 57W, plus farms located across the Congressional Township line in Township 109N Range 58W.

**District 5.** Township 110N Range 54W, Township 109N Range 55W, and farms located across the county line in Lake County in Township 108N Range 55W, Township 109N Range 54W, extending to lines of Sioux Valley Energy Electric Association, Colman, South Dakota, including farms located across the county line in Lake County in Township 108 N Range 54W, Township 110N Range 53W, Township 109N Range 53W, except that part which is occupied by the Sioux Valley Energy Electric Association, Colman, South Dakota.

**District 6.** Township 111N Range 56W, Township 110N Range 56W, and Township 110N Range 55W.

Said Directors shall exercise all of the power of the Cooperative except such as are by law, the articles of conversion or these bylaws conferred upon or reserved to the members.

**SECTION 2. Election and Tenure of Office:** Directors shall be elected at each annual meeting of the members, by and from the members to serve three (3) year terms or in each case until their successors shall have been elected and shall have qualified. The Cooperative shall stagger Director terms by dividing the total number of authorized Directors into groups of approximately equal number. Members, therefore, will annually elect an approximately equal number. 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 Director within a reasonable time thereafter. Directors may be elected by a plurality vote of the members. In the case of a tie vote the director elected is determined by a drawing by lot.

**SECTION 3. Qualifications:** No person shall be eligible to become or remain a Director or to hold any position of trust in the Cooperative who:

- a. Is not a member and bona fide resident in the area served or to be served by the Cooperative; or
- b. Is not a bona fide resident of the district in which a vacancy occurs; or
- c. Is in any way employed by or financially interested in a competing enterprise or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
- d. Is an employee of the Cooperative or in the case of an ex-employee who has worked fulltime at the cooperative with in the last five (5) years.

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

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

**SECTION 4. Nominations:** The Board of Directors shall fix the date, hour and place of a meeting of the members in each district for which a director is to be nominated, not less that thirty (30) days nor more than sixty (60) days before the annual meeting. The Board shall call separate meeting of the members in each district.

The Board shall designate a suitable meeting place reasonably near the district. The notice of such meeting shall be given by publication of notice thereto in the Cooperative's monthly publication or in the insert of the Cooperative in the South Dakota Rural Electric Cooperative's monthly publication in the issue published next prior to the date of such meeting or by

giving notice to each member in such district as provided by Article III, Section 3 of the Cooperative bylaws. There shall be prepared and posted at the principal office of the Cooperative at least twenty (20) days before the meeting, a list of nominations for director which may include a greater number of candidates that are to be elected. Any fifteen (15) or more members acting together may make other nominations by petition not less than fifteen (15) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the members at the district at the same place where the list of nominations made by the members at the district meeting are posted. The Secretary shall mail with the notice of the meeting or separately but at least seven (7) days before the meeting, a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the members at district meetings and also the nominations made by petition, if any. The Chairman shall call for additional nominations from the floor and nominations shall not be closed until at least one (1) minute has passed during which no additional nomination has been made. No member may nominate more than one (1) candidate.

**SECTION 5. Removal of Director by Members:** Any member may bring charges against a Director and, by filing with the Secretary such charges in writing, together with a petition signed by a least ten per centum (10%) of the members, may request the removal of such Director by reason thereof. Such Director shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges and the person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of such Director shall be considered and voted upon at the meeting without compliance with the foregoing provision with respect to nominations.

**SECTION 6. Vacancies:** Subject to the provisions of these bylaws, 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 7. Compensation:** Directors shall not receive any salary for their services as Directors, except that by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. 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 such Director or close relative shall have been certified by the Board of Directors as an emergency measure.