

BUTLER RURAL ELECTRIC
COOPERATIVE, INC.
3888 Stillwell Beckett Road
Oxford, Ohio 45056
513-867-4400 or 1-800-255-2732

CODE
OF REGULATIONS
and
ARTICLES OF
INCORPORATION

MISSION STATEMENT

To be a dynamic, progressive organization guided by cooperative principles and to provide energy and other value-added services to its members. The Cooperative will participate in its communities, providing leadership and support to improve the quality of life for all of its citizens.

VISION STATEMENT

Butler Rural Electric Cooperative, Inc., known for its corporate professionalism, recognized for its leadership in safety, financial integrity, and community affairs, constantly strives to demonstrate the cooperative difference to its members and in so doing, distinguishes itself in the industry.

BOARD OF TRUSTEES
(as of May 17, 2019)

Thomas McQuiston <i>President</i>2383 Oxford Germantown Rd. Camden, Ohio 45311
Robert Hoelle <i>Vice President</i> 4681 West Elkton Rd. Hamilton, Ohio 45011
David Evans <i>Secretary/Treasurer</i>3721 Riggs Rd. Oxford, Ohio 45056
Ronald Kolb 7585 Gray Rd. Oxford, Ohio 45056
James Meador2757 Scott Rd. Oxford, Ohio 45056
William Foster Jr.3216 Layhigh Rd. Hamilton, Ohio 45013
Tammy Mann4027 Northern Rd. Somerville, OH 45064
Michael Tilton 2281 Stillwell Beckett Rd. Hamilton, Ohio 45013
Robert Spaeth3150 Chapel Rd. Okeana, Ohio 45053

CODE OF REGULATIONS OF
BUTLER RURAL
ELECTRIC COOPERATIVE, INC.

As amended at the 82nd
Annual Meeting of Members
April 25, 2019
Oxford, Ohio

ARTICLE I

MEMBERSHIP

SECTION 1. Requirements For Membership.

Any person, whether a natural person or a firm, association, corporation, partnership, body politic or subdivision thereof, will become a member of Butler Rural Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric service from the cooperative, provided the applicant has first:

- (a) Made a written application for membership therein.
- (b) Agreed to purchase from the Cooperative electric power and/or energy as hereinafter specified.
- (c) Agreed to comply with and be bound by the Articles of Incorporation and Code of Regulations by the Cooperative, any rules and regulations and policies adopted by the Board of Trustees of the Cooperative (hereinafter sometimes called the "Board"), and
- (d) Paid a membership fee of Ten and no/100 dollars.

A member shall make an application for service for every service location on the system and pay any application fee as may be established by the Board.

No membership in the Cooperative shall be transferrable.

SECTION 2. Membership Certificates.

Membership in the Cooperative may be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed either manually or by facsimile signature by the President and by the Secretary of the Cooperative and the corporate seal or a facsimile thereof shall be affixed to such certificate. Failure to issue a membership certificate or the loss or destruction thereof shall not affect the membership of any person listed as a member in the Cooperative's membership records.

SECTION 3. Joint Membership.

Applications for joint membership shall not be accepted.

SECTION 4. 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 electric service, and shall pay therefore at rates which shall from time to time be fixed by the Cooperative in accordance with all applicable requirements of law. It is expressly understood that amounts paid for electric power and/or energy in excess of the cost of service are furnished by the patrons of the Cooperative, whether members or non-members, as capital and each patron shall be credited with the capital so furnished as provided in this Code of Regulations. Each patron shall pay all amounts owed to the Cooperative as and when the same shall become due and payable. 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 Cooperative.

SECTION 5. Termination of Membership.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, this Code of Regulations, or rules, regulations or policies adopted by the Board, but only if such members shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting.

(b) Upon the withdrawal, death, cessation of existence, cessation of the Cooperative's electric service to, or expulsion of a member, the membership of such member shall thereupon terminate. The Board may adopt uniform rules governing the membership status of persons whose electric service is temporarily discontinued by the Cooperative. Termination of membership in any manner shall not release a member or member's estate from any debts or obligations 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 the membership fee paid, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 6. Service to All Persons Within the Cooperative's Service Area.

(a) The Cooperative shall extend electric service to all persons, whether members or non-members, within the Cooperative's service area who (i) desire such service and (ii) meet all requirements established by the Cooperative as a condition of such service. Conditions of service shall be set forth in the rules, regulations and policies of the Cooperative. All such rules, regulations and policies shall be just, reasonable and not discriminatory or preferential. No discrimination or preference shall be made between member and non-member patrons of the Cooperative with respect to rates or terms or conditions of service. As used in this Code of Regulations, the term "service area" shall mean geographic area established pursuant to the laws of the State of Ohio, or in the absence thereof as otherwise established by the Board of Trustees of the Cooperative.

(b) Nothing contained in this Code of Regulations, in the Cooperative's rules and regulations, policies, or otherwise, shall be construed to limit or prevent the Cooperative from selling electric power and/or energy or otherwise rendering electric service to non-members or to prohibit the Cooperative from entering into and performing franchises or other contracts with political subdivisions, bodies politic, or governmental agencies or instrumentalities, which franchises or contracts provide for the selling of electric power and/or energy or otherwise rendering electric service to any such subdivision, bodies agencies, instrumentalities or the citizens thereof.

(c) Nothing contained in this Code of Regulations, in the Cooperative's rules and regulations, policies, or otherwise, shall be construed to limit or prevent the Cooperative from entering into related electric energy or unrelated business enterprises as the Board of Trustees shall consider to be appropriate from time-to-time.

SECTION 7. Aid to Construction.

In the event a member or non-member makes application for service beyond the limits normally furnished in accordance with the policies of the Cooperative, the member or non-member will be required to pay or guarantee the additional costs that are not the Cooperative's obligation. Nothing in the section shall be taken to mean that the Board of Trustees of the Cooperative cannot establish other classes of service. Such other classes are to be consistent with sound economics using the help of Rate Consultants or Regulatory Agencies to establish the terms and conditions of service.

A contract shall be drawn up and signed by both the member or non-member and the Cooperative stating the costs to be paid or guaranteed. If payment is required, any such payment must have been received in the office of the Cooperative before any work shall begin. No payment or guarantee shall give the member or non-member any property rights in the facilities constructed other than those held by virtue of Cooperative membership.

Guarantees shall take the form as determined by the Board of Trustees.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members.

Upon dissolution, after

- (a) All debts and liabilities of the Cooperative have been paid, and
- (b) All capital furnished through patronage has been retired as provided in this Code of Regulations, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution.

SECTION 2. Non-Liability for Debts of the Cooperative.

The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting.

The annual meeting of the members shall be held each year at such time and place as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of reporting the results of the election of Trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work as forfeiture or dissolution of the Cooperative. In the event that such annual meeting is not held, for any reason, all matters to be attended to will be considered at the next annual meeting, the date and time to be designated by the Board of Trustees.

SECTION 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three Board members, by the President, or by ten percent or more of all members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the service area of the Cooperative designated by the Board.

SECTION 3. Notice of Members' Meetings.

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 ten days nor more than fifty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to each member as the address appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Notice of adjournment of a members' meeting need not be given to members present at such adjournment if the time and place to which it is adjourned are fixed and announced at such meeting.

SECTION 4. Quorum.

The members entitled to vote present in person at any meeting of the members duly called and held shall constitute a quorum.

SECTION 5. Voting.

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote of the members. Voting shall be conducted in person at any meeting of the members for general cooperative business. Voting for the Board of Trustees shall be by mail or electronic ballot only and at a time and manner consistent with these Articles of the Code of Regulations as described hereafter and as determined by the Board of Trustees.

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. 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.
2. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
3. Presentation and consideration of reports of officers, Board members, and committees.
4. Confirmation of Nominating Committee
5. Announce the Board of Trustees election results.
- 6 Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV BOARD OF TRUSTEES

SECTION 1. General Powers.

The entire business and affairs of the Cooperative shall be managed by a board of nine trustees which shall exercise all of the powers of the Cooperative except such are as by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office.

The Board shall divide the service area of the Cooperative into nine (9) districts so that equitable representation may be given to the geographic areas served by the Cooperative. The Board shall have the power to change the boundaries of such districts whenever in their opinion the purpose of this Section requires such a change. Each district shall be represented by not less than one Board member. Three Board members shall be elected each year by secret mail or electronic ballot, by the membership to serve for a term of three (3) years or until their qualified successors shall have been elected, subject to the provisions of this Code of Regulations with respect to the removal of Board members. Board members may be elected by a plurality vote of the members. Candidates standing for election to the Board of Trustees by the membership shall either be nominated by the Nominating Committee or nominated by petition, both in accordance with the Code of Regulations.

A member may vote for members of the Board of Trustees only by mail or electronic ballot by casting their votes at a time prior to the annual member meeting in accordance with the following: (1) the Cooperative will deliver or provide to each member a written mail ballot and/or instructions to access an electronic ballot; (2) the cooperative must count as a member's vote, a properly completed mail or electronic ballot received on or before the time and date stated in the mail or electronic ballot; (3) a mail or electronic ballot must: (a) identify candidate(s); (b) state the date of a member meeting at which the results of the election or voting are scheduled to be announced; (c) instruct the member how to complete, return, or cast mail or electronic ballot; and (d) state the time and date the completed mail or electronic ballot must be received by the Cooperative.

Except as otherwise provided in this Code of Regulations or by the Board of Trustees, a member may not revoke a completed mail or electronic ballot received by the Cooperative. A member's failure to receive a ballot does not affect a vote or action taken by mail or electronic ballot.

A mail or electronic ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, a mail or electronic ballot procured or cast through fraud or other improper means is invalid.

SECTION 3. Qualifications.

Only the following shall be eligible to become or remain a member of the Board:

- (a) The candidate or member of the Board must be a natural person who:
 - (i) is a member and bona fide resident in the particular district within the service area of the Cooperative which the trustee is to represent.
 - (ii) is not in any way employed by or financially interested in a competing enterprise or business including but not limited to the following: A) a business selling electric energy or supplies to the Cooperative; or B) a business primarily engaged in selling electric energy, electrical appliances, fixtures, or supplies to the members of the Cooperative.
 - (iii) is not or has not within the last five (5) years preceding the date of the current year's annual meeting been an employee of the Cooperative in any capacity.
 - (iv) is not employed in any capacity by any governmental regulatory agency having jurisdiction or authority over the Cooperative.

(v) has not been adjudged legally incompetent by any court of law.

An individual seeking appointment or election to the Board shall be qualified by the following: 1) by the Board of Trustees when considering individuals for Board replacement as a result of an Article IV, Section 6 vacancy; 2) by the Nominating Committee for individuals seeking election to the Board pursuant to Article IV, Section 2 or Section 4; and 3) by the Nominating Committee for individuals seeking election to the Board of a replacement Board member removed pursuant to Article IV, Section 5.

Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken by the Board.

SECTION 4. Nominations.

It shall be the duty of the Board to annually appoint a Nominating Committee consisting of two members from each district so as to ensure equitable representation on the committee to the geographic areas constituting the service area of the Cooperative. The Nominating Committee shall be confirmed by the members present at the annual meeting of the members following their appointment. Members on the Nominating Committee shall possess the same qualifications as required of Board Members pursuant to Article IV, Section 3. No member of the Board or officer may serve on such committee. The committee shall seek out, qualify pursuant to Article IV, Section 3 of the Code of Regulations, and nominate no more than two candidates from each district for each Board member position to be filled pursuant to Article IV, Section 2 and for Board positions that may have resulted from the removal of a Board member pursuant to Article IV, Section 5 of the Code of Regulations. Any twenty-five (25) or more members may also make other nominations for Board positions to be filled pursuant to Article IV, Section 2 by petition not less than one hundred and twenty days (120) days prior to the meeting of the members, said nominations also being subject to Article IV, Section 3. Thereafter, the names of the individuals nominated by the committee and by petition and qualified by the committee shall be posted at the principal office of the Cooperative at least ninety (90) days before the meeting of the members. The Secretary shall be responsible for mailing with the notice of the meeting of members in accordance with Article III, Section 3, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the Nominating Committee and by petition.

No person shall be voted upon for membership on the Board who has not signified their willingness to serve if elected. Nothing contained in this Section shall affect in any manner whatsoever the validity of any election of Board members or any action taken by the Board.

SECTION 5. Removal of Board Member.

Any member may bring charges against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent of the members, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten days prior to the meeting of 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 the Board member shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at a meeting of members and the unexpired term for any vacancy created by such removal may be filled by vote of the members at the Cooperative's next annual meeting held for the purpose of electing Board members.

SECTION 6. Vacancies.

Any vacancy created for any reason other than by member removal as provided for in Article IV, Section 5, shall be filled by affirmative vote of a majority of the remaining Board members for the unexpired portion of the vacated term.

SECTION 7. Compensation.

Members of the Board shall not receive any salary for their services as such, however, the Board may by resolution provide a reasonable compensation to be paid to each Board member for services rendered on behalf of the Cooperative as a Board member, such as attendance at meetings, conferences and training programs or performing committee assignments. The Board may also authorize reimbursement of Board members for expenses actually and necessarily incurred in carrying out such Cooperative business or grant a reasonable per diem allowance in lieu of detailed accounting for such expenses. A Board member may also receive compensation for services rendered as an officer of the Cooperative, but no Board member shall receive compensation for serving the Cooperative in any other capacity, except in emergency. No close relative of a Board member shall receive compensation for serving the Cooperative, except in emergency, unless such compensation shall be specifically authorized by a vote of the members, as used in this Section, "close relative" means the relationships of father, mother, brother, sister, son, and daughter, existing by reason of blood, marriage, or adoption.

ARTICLE V MEETINGS OF BOARD OF TRUSTEES

SECTION 1. Regular Meetings.

A regular meeting of the Board shall be held monthly at such time and place, as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings.

Special meetings of the Board may be called by the President or by any three Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time and place, either within or without the State of Ohio, for the holding of the meeting.

SECTION 3. Notice of Special Board Meeting.

Actual notice of the time, place and purpose of any special meeting of the Board shall be provided to each Board member, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member as the address appears on the records of the Cooperative, with postage thereon prepaid, at least two days before the date set for the meeting.

SECTION 4. Quorum.

A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in this Code of Regulations.

SECTION 5. Action of Trustees Without A Meeting.

Any action which may be authorized or taken at a meeting of the Board may be authorized or taken without a meeting in a writing or writings signed by all of the members of the Board.

ARTICLE VI OFFICERS

SECTION 1. Number.

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, General Manager and such other officers as may be determined by the Board from time to time. The officers of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office.

Each officer, except the General Manager and any officer appointed pursuant to Section 3 of this Article VI, shall be elected by ballot annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members at a special meeting, or at the next regularly scheduled monthly meeting. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until a successor shall have been elected and shall have qualified, subject to the provisions of this Code of Regulations with respect to the removal of officers. A vacancy in any office shall be filled by the Board for the unexpired portion of the term. The Board shall employ and set the compensation of the General Manager.

SECTION 3. Additional Officers.

In addition to the officers specified in Section 1 of this Article VI, the Board, in its discretion, may appoint one or more Assistant Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as may be deemed necessary or desirable who shall have such duties and authority as generally pertains to their respective offices and such as may be prescribed by the Board, and who shall hold office for such period as may be prescribed by the Board.

SECTION 4. Removal of Officers and Agents by the Board.

Any officer 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. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent of the members may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the officer shall have the same opportunity. In the event the Board does not remove such officer, the questions of removal shall be considered and voted upon at the next meeting of the members. Notwithstanding any other provisions of this Code of Regulations the Board may, in its discretion, authorize a written employment agreement between the Cooperative and the General Manager containing terms and conditions relating to the removal of the General Manager which are inconsistent with this Code of Regulations.

SECTION 5. Resignations.

Any officer may resign at any time by giving written notice to the Board, or to the President or to the Secretary of the Cooperative. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Vacancies.

A vacancy in any office, except that of General Manager, may be filled by the Board for the unexpired portion of the term. In the event of a vacancy in the office of General Manager, the Board shall choose and employ a General Manager upon terms and conditions which the Board considers to be in the best interests of the Cooperative.

SECTION 7. President.

The President shall:

- (a) be the principal executive officer of the Cooperative, and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board.
- (b) on behalf of the Cooperative, subject to the direction and instruction of the Board, sign, with the Secretary, certificates of membership and may sign any deeds, mortgages, deeds of trust, notes, bonds, financing statements, security agreements, contracts or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by this Code of Regulations to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed;
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 8. Vice President.

In the absence of the President, or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time-to-time may be assigned by the Board or by the President.

SECTION 9. Secretary.

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with this Code of Regulations or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative or a facsimile thereof 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 this Code of Regulations;
- (d) keeping a register of the names and mailing addresses of all members;
- (e) signing, with the President, certificates of membership;
- (f) keeping on file at all times a complete copy of the Articles of Incorporation and Code of Regulations 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, furnishing a copy of the Code of Regulations and of all amendments thereto to any member upon request; and

- (g) in general performing all duties incident to the office of Secretary and such other duties as from time-to-time may be assigned by the Board.

SECTION 10. Assistant Secretary.

The Assistant Secretary, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and shall hold office until relieved by the Board. The Assistant Secretary shall assist the Secretary in the performance of the Secretary's duties as requested by the Secretary or by the Board.

SECTION 11. Treasurer.

The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of this Code of Regulations; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned by the Board.

SECTION 12. Assistant Treasurer.

The Assistant Treasurer, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and shall hold office until relieved by the Board. The Assistant Treasurer shall assist the Treasurer in the performance of the Treasurer's duties as requested by the Treasurer or by the Board.

SECTION 13. General Manager.

The General Manager shall:

- (a) be the chief administrative officer responsible for the general direction, coordination and control of all operations in accordance with the policies adopted by the Board, subject to the direction and instruction of the Board;
- (b) have supervision over and be responsible for the operations of the Cooperative and, in performing this duty, carry out and administer the policies adopted by the Board;
- (c) prepare for the Board of Trustees such reports and budgets as are necessary to inform the Board concerning the operation of the Cooperative; and
- (d) in general perform all duties incident to the office of General Manager as chief administrative officer and perform such other duties as may from time-to-time be assigned by the Board.

SECTION 14. 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 be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 15. Reports.

The officers of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

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 mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, 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, members and non-members alike, 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 each calendar 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 calendar year notify each patron of the amount of capital so credited to their account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior calendar year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members.

At any time before the Cooperative's dissolution, liquidation, or other cessation of existence, the Cooperative may generally retire and pay some or all capital credits allocated to the patrons or former patrons. The Cooperative may retire and pay capital credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this code section, the retirement and payment of capital credits are entirely in the discretion of the Board and the Board shall determine the manner, method, and timing of retiring and paying capital credits. As reasonable and fair, the Cooperative may retire and pay capital credits to classes of similarly situated patrons under different manners, methods, and timing, provided the Cooperative retires and pays capital credits to similarly situated patrons under the same manner, method, and timing. After retiring capital credits allocated to a patron or former patron, the Cooperative may recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron, including any compounded interest and late

payment fee, by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed. Nothing herein shall be construed as limiting or impairing the Board, in the reasonable exercising of its discretion, its right to make additional retirements of capital credits before the time the Cooperative anticipates normally retiring and paying capital credits.

Capital credited to the account of each patron may be assignable on the books of the Cooperative pursuant to written instruction from the patron, unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of this Code of Regulations, the Board, at its discretion, may retire capital credited to any deceased patron, being a natural person, upon the written application of a representative of the patron's estate. Such retirements made in advance of the time for capital credit retirement set-forth above shall be in amounts and on a schedule deemed appropriate and on other terms and conditions established by the Board.

Notwithstanding any other provision of the Code of Regulations, if any patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within four (4) years after payment of the same has been made available by notice or check mailed to the last known address, such failure shall be and constitutes an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such patron to cash any check mailed by the Cooperative to the last known address furnished to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of four (4) years from the date when such payment was made available to such patron without claim therefore and only after the further expiration of sixty (60) days following the giving of a reasonable notice as may be prescribed by the Board to such patron.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Code of Regulations 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.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative shall not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property or merge or consolidate with any other corporation unless sale, mortgage, lease, other disposition, encumbrance, merger or consolidation 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, other disposition, encumbrance, merger or consolidation shall have been contained in the notice of the meeting; provided, however, that notwithstanding any other provision of this Article, the Board of the Cooperative, without authorization by the members' thereof, shall have full power and authority to authorize the execution and delivery of mortgages, deeds of trust, security agreements and financing statements, or otherwise pledging, encumbering, subjecting to a lien or security interest, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof or to any other bona fide lender, lending institution or investor; provided, further, however, that notwithstanding any other provision of this Article, the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to, or merge or consolidate with another non-profit corporation which is or has been a member of Ohio Rural Electric Cooperatives, Inc.

Notwithstanding the foregoing provisions of this Article, nothing contained herein shall be deemed or construed to prohibit an exchange of electric plant facilities for electric plant facilities of another electric company when in the judgment of the Board such facilities are of approximately equal value, but in no event shall the value of the Cooperative's facilities so exchanged within any 12 month period exceed 10% of the total electric plant of the Cooperative.

ARTICLE IX

SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal of Ohio," but failure to affix such seal shall not affect the validity of any instrument duly executed on behalf of the Cooperative by its authorized officers.

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 1. Contracts.

Except as otherwise provided in this Code of Regulations, the Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board.

SECTION 3. Deposits.

All funds except petty cash of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank, or banks as the Board may select.

SECTION 4. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first day of October of each year and shall end on the thirtieth day of September of the next year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Waiver of Notice.

Any member or Board member may waive in writing any notice of a meeting required to be given by this Code of Regulations. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member 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 2. Policies, Rules and Regulations.

The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or this Code of Regulations, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 3. Accounting System and Reports.

The Board 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 substantially conform to such accounting system as may from time-to-time be designed by the Administrator of the Rural Utilities Service of the United States of America. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

ARTICLE XII AMENDMENTS

This Code of Regulations may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

ARTICLE XIII
INDEMNIFICATION OF BOARD MEMBERS
AND OFFICERS

SECTION 1.

Each Board member and officer now or hereafter serving the Cooperative, and each person who at the request of or on behalf of the Cooperative is now serving or hereafter serves as a trustee, director or officer of any other corporation, and the respective heirs, executors, and administrators of each of them, shall be indemnified by the Cooperative against all costs, expenses, judgments, decrees, fines, penalties and liabilities, including attorneys' fees, actually and necessarily incurred by or imposed upon them in connection with or resulting from any action, suit or proceeding, civil or criminal, in which they are or may be made a party by reason of being or having been such Board member, trustee, director or officer, or by reason of any action alleged to have been taken or omitted by them as such Board member, trustee, director or officer, whether or not they are Board members, trustees, directors or officers at the time of incurring such costs, expenses, judgments, decrees, fines, penalties and liabilities; provided, however, that the indemnification provided for in this Section 1 shall be made only if such Board member, trustee, director or officer:

- (a) -is adjudicated or determined not to have been negligent or guilty of misconduct in the performance of their duties to the Cooperative or the corporation of which they are or were trustees, directors or officers;
- (b) -is determined to have acted in good faith in what they reasonably believed to be the best interest of such corporation, and
- (c) -in any matter the subject of a criminal action, suit or proceeding, is determined to have had no reasonable cause to believe that their conduct was unlawful.

The determination as to (b) and (c), and in the absence of an adjudication as to (a) by a court of competent jurisdiction, the determination as to (a), shall be made by the Board acting at a meeting at which a quorum is present consisting of the Board members who are not parties to or threatened with any such action, suit, or proceeding as that giving rise to the matter. Any Board member who is a party to or threatened with any such action, suit, or proceeding shall not be qualified to vote and, if for this reason a quorum of the Board cannot be obtained to vote on such indemnification, no indemnification shall be made unless a determination is made as to (a), (b) and (c) above by the Executive Committee of Ohio Rural Electric Cooperatives, Inc. acting at a meeting thereof at which a quorum consisting of the members of said committee who are not trustees, directors, or officers of the indemnifying corporation are present. Any member of said Executive Committee who is a trustee, director or officer of the indemnifying corporation shall not be qualified to vote and, if for this reason a quorum of members of the Executive Committee of said Executive Committee cannot be obtained to vote on such indemnification of the matter shall be submitted to an arbitrator appointed pursuant to the rules of the American Arbitration Association for determination, and said arbitration shall be conducted in accordance with the rules of said Association. Such indemnification shall be made with respect to adjudication other than on the merits and shall extend to settlements and compromises.

SECTION 2.

The right of indemnification provided for by Section 1 of this Article XIII shall not be exclusive of any other rights to which a Board member, trustee, director or officer may be entitled under any law, agreement, vote of shareholders, vote of members, any insurance purchased by the Cooperative, or otherwise.

ARTICLES OF INCORPORATION OF
BUTLER RURAL
ELECTRIC COOPERATIVE, INC.

As amended at the 81st
Annual Meeting of Members
April 26, 2018
Oxford, Ohio

First:

The name of the Corporation shall be Butler Rural Electric Cooperative, Inc.

Second:

The place in the State of Ohio where its principal office is located is Hanover Township, Butler County, Ohio, at 3888 Stillwell Beckett Road.

Third:

The purposes for which the Cooperative is formed are:

- (1) To engage in operations as a public utility rendering electric service to members and non-member patrons; to generate, manufacture, purchase, acquire and accumulate electric energy for, and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-member patrons, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and, electric transmission and/or distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes; and, without limiting the generality of the foregoing, but in amplification thereof, to acquire, in whole or in part, by purchase, lease, or otherwise, other electric generation, transmission and/or distribution systems, which purpose may be effected through the acquisition of real or personal property, or the acquisition of stocks, or other corporate securities evidencing the ownership of real and personal property constituting such other electric systems, or portions thereof or through merger or consolidation;
- (2) To supply electric energy to its members and non-member patrons without any discrimination or preference as between members and non-member patrons and to enter into and perform franchises and other contracts with political subdivisions, bodies politic, governmental agencies or instrumentalities, industrial and commercial concerns, residential customers and others which franchises or contracts provide for the supplying of electric energy or otherwise rendering electric service to any such concerns, customers, subdivisions, bodies, agencies, instrumentalities, or the citizens thereof;
- (3) To acquire, hold, own, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate, encumber, subject to liens or security interests, and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the corporation;
- (4) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold maintain, use convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of, encumber, subject to liens or security interests any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;
- (5) To furnish under contract with any person, partnership, firm, political subdivision, body politic or governmental agency or instrumentality, corporation or association technical services, including, without limitation because of enumeration, engineering, bookkeeping, auditing, construction, line and communication equipment, repair and maintenance of distribution; systems, meter reading, billing, collecting, financing, and any and all other specialized management or operation services for electrical distribution or transmission firms or companies;

(6) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgages, deeds of trust, security agreements and financing statements, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Corporation, wheresoever situated, acquired or to be acquired; and

(7) To assist its members and non-member patrons served by it to wire their premises and install therein electrical and pumping appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character; and, in connection therewith, and for such purposes, to purchase, acquire, lease, sell, distribute, install, and repair electrical and pumping appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character; and to receive, acquire, endorse, pledge, hypothecate, and dispose of notes and other evidences of indebtedness;

(8) To promote and develop the use of electric energy and to engage in area development and similar activities in order to promote and develop the use of electric energy;

(9) To aid in any manner permitted by law any firm or individual, corporation or association, domestic or foreign, in which the corporation may own any shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, or in which the corporation may have any other legal or equitable interest, and to do any other act permitted by law to preserve, protect, improve or enhance the value of the same or the property represented thereby; and to organize or promote or facilitate the organization of subsidiary corporations;

(10) To do and perform, for itself, its members and its non-member patrons, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be incidental thereto, or as may be permitted by law.

The enumeration of the foregoing purposes shall not be held to limit to restrict in any manner the general powers of the Corporation, and the Corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon corporations of the character of the Corporation by the laws of the State of Ohio now or hereinafter in force. Each purpose enumerated above shall be deemed to be independent of all other purposes and shall not be limited or restricted by reference from any other enumerated powers. The Corporation reserves the right, at any time and from time to time, substantially to change its purposes in the manner now or hereafter permitted by law.

Fourth:

The following persons shall serve the Corporation as Trustees until their successors shall have been elected and shall have qualified in accordance with the Code of Regulations of the Corporation.

Carl E. Engel	Hamilton
A.S. Baker	Seven Mile
Loren L. Sizelove	Oxford
Marcus Beard	Okeana
Luther Borger	Trenton
Charles Schlabach	Oxford
Clovis L. Kalbfleisch	West Middletown
Charles P. Krebs	Hamilton
Martin Petri	Hamilton

Fifth:

The Corporation shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

In the furnishing of electric energy the Corporation's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Corporation. In order to induce patronage and to assure that the corporation will operate on a non-profit basis the Corporation is obligated to account on a patronage basis to all its patrons, members and non-members alike, 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 Corporation are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Corporation 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 Corporation shall be set up and kept in such manner that at the end of each calendar 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 Corporation shall within a reasonable time after the close of the calendar year notify each patron of the amount of capital so credited to their account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Corporation corresponding amounts for capital.

All other amounts received by the Corporation from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior calendar year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

Capital credited to the account of each patron may be assignable on the books of the Corporation, pursuant to written instruction from the patron unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of this Articles of Incorporation, the Board at its discretion, may retire capital credited to any deceased patron, being a natural person, upon the written application of a representative of the patron's estate. Such retirements made in advance of the time for capital credit retirement set-forth above shall be in amounts and on a schedule deemed appropriate and on other terms and conditions established by the Board.

As used in these Articles of Incorporation, the term "Board" shall mean the Board of Trustees of the Corporation.

Sixth:

The Corporation shall not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property or merge or consolidate with any other corporation unless such sale, mortgage, lease, other disposition, encumbrance, merger or consolidation 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 Corporation, and unless the notice of such proposed sale, mortgage, lease, other disposition, encumbrance, merger or consolidation shall have been contained in the notice of the meeting; provided, however, that notwithstanding any other provision of this Article, the Board of the Corporation, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of mortgages, deeds of trust, security agreements and financing statements or otherwise pledging, encumbering, subjecting to a lien or security interest, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Corporation, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Corporation to the United States of America or any instrumentality or agency thereof or to any other bona fide lender, lending institution or investor;

provided, further, however, that notwithstanding any other provisions of this Article, the Board may upon the authorization of a majority of those members of the Corporation present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to, or merge or consolidate with, another non-profit corporation which is or has been a member of Ohio Rural Electric Cooperatives, Inc.

Notwithstanding the foregoing provisions of this Article, nothing contained herein shall be deemed or construed to prohibit an exchange of electric plant facilities for electric plant facilities of another company when in the judgment of the Board such facilities are of approximately equal value, but in no event shall the value of the Corporation's facilities so exchange within any 12 month period exceed 10% of the total electric plant of the Corporation.

Seventh:

These amended Articles of Incorporation take the place of and supersede the existing Articles of Incorporation as heretofore amended.

STATEMENT OF NONDISCRIMINATION

Butler Rural Electric Cooperative, Inc., 3888 Stillwell Beckett Road, Oxford, Ohio is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (Not all prohibited bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means for communication of program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410

(2) Fax: (202) 690-7442; or

(3) Email: program.intake@usda.gov

This institution is an equal opportunity provider.