

**BYLAWS
OF
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.**

**ARTICLE I
Membership**

SECTION 1. Requirements for Membership.

Any person, firm, association, corporation, or body politic or subdivision thereof may become a member in Graham County Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- (a) Filing a written application for membership therein;
- (b) Agreeing to purchase from the Cooperative electric and/or water services (hereinafter sometimes collectively referred to as "utility service" or "utilities") as hereinafter specified;
- (c) Agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors; and
- (d) Paying the membership fee hereinafter specified;

provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. No member may hold more than one membership in the Cooperative, and no membership shall be transferable, except as provided in these bylaws.

Each member has a duty to inform the Cooperative of a change in the member's address until the member has received payment for all patronage capital allocated to that member. If the member fails to keep the Cooperative informed of member's address and a payment of patronage capital is returned undeliverable and is not claimed by the member for a period of two years, the member's right to that patronage capital payment shall lapse pursuant to Article VII, section 4 of these By-Laws. *(proposed changes)*

SECTION 2. Membership Evidenced by Cooperative Records.

An individual or entity is only a member of the Cooperative if his, her, or its name appears on the records of the Cooperative. Members shall be issued a membership certificate in such form as determined by the Board of Directors. No membership certificate shall be issued for less than the membership fee fixed by these bylaws, nor until the membership fee is paid in full. *(As amended October 19, 2013)*

SECTION 3. Joint Membership.

A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these 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 a meeting of either or both shall be regarded as the presence of one 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 joint vote;
- (c) A proxy executed by either or both shall constitute one 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.
- (i) The allocation of patronage capital shall be divided equally between member spouses, with one-half of the patronage capital being allocated to each spouse. Where only one spouse of a married couple is a registered member of the Cooperative, the Cooperative shall have no duty to recognize the other spouse as a member or make patronage capital allocations to, or to pay patronage capital retirement payments to the non-member spouse based on community property or marital property concepts --- it shall be the duty of the member spouse to recognize such community property interest and to share patronage capital retirement payments with the non-member spouse as the law may require. *(As amended October 19, 2013)*

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 surrendered, 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 surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. MEMBERSHIP FEES.

The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection to the electric distribution system and one connection to the water distribution system if the Cooperative operates such a system in the member's location. *(proposed changes)*

SECTION 6. PURCHASE OF ELECTRIC AND/OR WATER SERVICES.

Each member shall purchase from the Cooperative all electric and, if the Cooperative operates a water distribution system in the member's location, all water services used on the premises specified in his application for membership, except for approved renewable energy produced on the premises or a private well, and shall pay monthly for utility services received from the Cooperative at rates which shall from time to time be recommended by the Board of Directors and approved by the Arizona Corporation Commission; provided however, that in extreme circumstances the Board of Directors may limit the amount of electric and/or water services which the Cooperative shall be required to furnish to any one

member. It is expressly understood that amounts paid for electric and/or water services in excess of the cost of service are furnished by members as capital to be used for such capital requirements of the Cooperative as the Board of Directors shall from time to time determine as necessary. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric and/or water services consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable. *(proposed changes)*

SECTION 7. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure make him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. The membership of a member who for a period of six (6) months after service is available to him, has not purchased utility services from the Cooperative, or a member who has ceased to purchase utility services from the Cooperative, shall be canceled by resolution of the Board of Directors. *(As amended April 2, 2021)*
- (b) Upon the withdrawal, death, cessation of existence or expulsion of member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of withdrawal or termination of membership in any manner, the Cooperative will repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

**ARTICLE II
Rights and Liabilities of Members**

SECTION 1. Property Interest of Members.

Members shall have no individual or separate interest in the property or assets of the Cooperative except that upon dissolution the property and assets of the Cooperative remaining after all debts and liabilities of the Cooperative are paid, 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 seven years next preceding the date of filing of certificate of dissolution.

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

The private property of the members shall be kept 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
Meetings of Members**

SECTION 1. Annual Meeting.

The annual meeting shall be held before September 30 each year, at such place in the County of Graham, State of Arizona, as 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. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. *(proposed changes)*

SECTION 2. Special Meetings.

A special meeting of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or by ten per centum (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Graham, State of Arizona, specified in the notice of special meetings.

SECTION 3. Notice of Members' Meeting.

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 nor more than twenty-five days before the date of the meetings, 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 the member at his address as it appears on the records of the Cooperative, with postage thereon paid. 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.

SECTION 4. Quorum.

In the event that the total number of members shall not exceed one thousand members, a quorum for the transaction of business shall be five percent of all members, who must be personally present at such meeting, or such lesser amount permitted by Arizona law as the same exists or may hereafter be in effect. In the event that the total number of members shall be more than one thousand members, a quorum for the transaction of business shall be fifty members, who must be personally present at such meeting, or such lesser amount permitted by Arizona law as the same exists or may hereafter be in effect. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

SECTION 5. Voting.

Each member shall be entitled to only one vote. Except as otherwise provided by Arizona law as the same exists or may hereafter be in effect, the articles of incorporation or these bylaws, all questions shall be decided by a vote of a majority of the members voting thereon in person, by proxy, or by mail if authorized by the Board of Directors. In the event that the Board of Directors shall authorize the members to vote by mail for any particular matter, the Board of Directors shall prescribe the procedure and requirements therefor.

SECTION 6. Proxies.

A member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid unless it shall designate the particular meeting at which it is to be voted and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may give his proxy only to another member or to an adult relative living in the same home with such member, and no person may hold more than one proxy at any meeting. The presence of member at a meeting shall revoke a proxy theretofore

executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

SECTION 7. 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:

1. Report as to which members are present in person in order to determine the existence of a quorum and which members are represented by proxy.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors, and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

**ARTICLE IV
Directors**

SECTION 1. General Powers.

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

SECTION 2. Election and Tenure of Office.

All directors shall be elected by secret ballot and shall hold office for a term of three years. One director being elected to represent each district at each annual meeting. The director from each district receiving the largest vote at the 1948 annual meeting shall hold office for a term of three years, the director from each district having the next largest vote at said meeting shall hold office for a term of two years and the one from each district receiving the low vote shall hold office for a term of one year, whose office shall be subject to the election at the 1949 annual meeting of the members. All directors shall hold office until the annual meeting at which their term expires or until their successors have been elected and shall have qualified. If an election of directors shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members, as soon thereafter as conveniently may be. Directors may be elected by a plurality vote of the members.

SECTION 3. Qualifications.

No person shall be eligible to become or remain a director of 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 in any way employed by or financially interested in (i) an entity or enterprise that competes with the Cooperative in the sale of utility services, or (ii) an entity or enterprise that competes with the Cooperative in the sale of water, or (iii) an entity that receives from or provides wholesale utility services to the Cooperative (exception AEPCO, Sierra Southwest Board membership), or (iv) an entity or enterprise selling electrical energy to the Cooperative, or (v) an entity or enterprise primarily engaged in the sale of electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. *(proposed changes)*
- (c) Is a former employee of the Cooperative who was terminated by that entity for cause.
- (d) Was employed by the Cooperative within five years prior to the election.

Upon the 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. However, nothing contained in this section shall affect in any manner the validity of any action taken while a “disqualified” person was serving as a member of the Board of Directors. *(proposed changes)*

SECTION 4. Voting Districts.

The territory served or to be served by the Cooperative shall be divided into three districts, each of which shall contain as nearly as possible the same number of members. Each district shall be represented by three directors. The Board of Directors shall at least ninety days before the first annual meeting designate the territorial limits of the three districts, and not less than sixty days before any meeting of the members at which directors are to be elected, the Board of Directors shall review the composition of the several districts, and if it should be found that inequalities in representation have developed which can be corrected by a re-delineation of districts, the Board of Directors shall reconstitute the districts so that each shall contain as nearly as possible the same number of members.

SECTION 5. Nominations and Election of Directors.

- (a) All persons who desire to serve on the Cooperative’s Board of Directors, including write-in candidates, must satisfy the qualifications of Article IV, section 3, and be nominated by petition, in writing, containing the signatures of at least twenty-five (25) current members (who are listed as members on the records of the Cooperative) and who live in the district in which the proposed candidate resides and which the proposed candidate desires to serve as a Director. Nominating petitions will be available 60 days prior to the annual meeting of the cooperative and must be obtained in person from the Office Manager, the Finance Manager, or the General Manager of the Cooperative by the candidate desiring to run for a position on the board. No member may sign the petition of more than one person seeking to be nominated by petition. Nominating petitions must be filed with the Secretary of the Cooperative or the Finance Manager of the Cooperative not less than thirty-five (35) days prior to the annual meeting of the members if the candidate's name is to appear on the ballot. A write-in candidate must file a petition with the correct number of qualified signatures at least 15 days prior to the annual meeting.
- (b) At the time the candidate asks for and receives the nominating petition, the candidate must read and sign the Code of Ethics for Candidates for the Board of Directors that has been adopted by the Board of Directors. Any Candidate who violates these policies, or any Candidate who discovers that his or her employees, agents or supporters are violating these policies and does not report it to the Board and does not correct said behavior, shall be disqualified as a Candidate for the Board of Directors. All ballots tainted by violations of this policy shall be disqualified. If

the violation of these policies is brought to the attention of the Board of Directors after the Candidate is elected, the Board shall have the right to remove that Candidate from the Board.

- (c) The Cooperative, by direction of the Secretary of the Board of Directors or the Finance Manager of the Cooperative, shall cause to be printed separate ballots for each district. Said ballots shall contain the names of all persons duly qualified and nominated by petition, as hereinabove provided. In addition, there shall be a blank line on the ballot to permit voting members to write in the name of another qualified member whose name is not printed on the ballot and vote for that member. (A write-in candidate must file a petition with the correct number of qualified signatures at least 15 days prior to the annual meeting. See section 5 a.)
- (d) Not less than ten (10) days before the annual meeting, the Secretary of the Board of Directors or the Finance Manager of the Cooperative shall cause to be mailed to each member of the Cooperative either a list of the candidates nominated pursuant to this section and a notice that the election will be held at the annual meeting or a ballot for the district in which the member resides (or in the case of a corporation, partnership or limited liability company, the district in which the entity receives service) and instructions for completing the ballot and returning it or mailing it to the Cooperative headquarters prior to the annual meeting.
- (e) If the election is to be held at the annual meeting, at the meeting the Secretary of the Board of Directors or the Finance Manager shall place in nomination the names of qualified candidates for each district. Voting shall be in person on the official printed ballots prepared by the Secretary or Finance Manager. Natural members shall vote only in the district in which they live. Corporations, partnerships or limited liability companies, shall vote in the district in which the entity receives service. Each member shall be entitled to one vote. The counting of the ballots, by districts, shall take place at the meeting and shall be the responsibility of an election committee consisting of a chairman and at least two members who shall be appointed by resolution of the Board of Directors.
- (f) If the Board of Directors authorizes voting by mail-in ballot, the Board of Directors shall prescribe the rules and procedures with respect to the mechanics of the election. The deadline for receiving the ballots in the headquarters of the Cooperative shall be no later than noon on the Thursday before the annual meeting. The counting of the ballots, by districts, shall be the responsibility of an election committee consisting of a chairman and at least three members (one from each district) who shall be appointed by resolution of the Board of Directors. The counting of the ballots shall be done at a meeting of the election committee at the headquarters of the Cooperative prior to the annual meeting. Members of the Cooperative and members of the Board of Directors and those designated by the Board of Directors may observe the election committee's counting of the ballots.
- (g) The candidate (who is otherwise qualified under Article IV, section 3) from each district receiving the highest number of votes shall be declared the officially elected director of that district. Should two or more candidates tie in receiving the largest number of votes received for an available term of director for a district, the tie shall be resolved by the drawing of lots supervised by the election committee. The election committee shall use a new deck of playing cards, and each candidate who tied shall draw a card from the deck of cards. The candidate drawing the highest card shall be declared the winner of the election. Aces are to be considered the highest card in the deck.

If an election is uncontested by a qualified candidate then the Board of Directors may forgo the election process. *(proposed changes)*

(h)

SECTION 6. Removal of Directors 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 at least ten per centum 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 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 to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members at such meeting without compliance with the foregoing provisions respect to nominations.

SECTION 7. 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 of the unexpired portion of the term.

SECTION 8. Compensation.

Directors shall not receive salaries for their services as directors, except that by resolution of the Board of Directors a fixed fee for attendance at board meetings may be established from time to time by the majority approval of the Board of Directors. This rate may be up to the average compensation rate for electrical distribution cooperative Board of Directors in the state of Arizona. Directors shall also be paid an attendance fee and shall be reimbursed for out-of-pocket expenses incurred for representation on outside committees and boards as approved by 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 (i) the payment is a result of a competitive bid process in which the director involved did not participate in the drafting of the bid request or in the bid approval process; or (ii) service by the director or his or her close relative is a result of a situation that is certified by the Board of Directors to have been an emergency measure, or (iii) the hiring of the relative as an employee is approved by the Board of Directors and the position is not as General Manager or Finance Manager. *(proposed changes)*

**ARTICLE V
Meetings of Directors**

SECTION 1. Regular Meeting.

A regular meeting of the Board of Directors shall also be held monthly at such time and place in Graham County, Arizona, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings.

Special meetings of the Board of Directors may be called by the President or by any three directors, 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 the directors calling the meeting shall fix the time and place (which shall be in Graham County, Arizona), for the holding of the meeting.

SECTION 3. Notice of Directors Meetings.

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than three days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

SECTION 4. Quorum.

A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjournment meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Once a quorum on the directors is established it shall be a legal meeting and will continue to be a legal meeting even if directors leave the meeting prior to adjournment. *(proposed changes)*

**ARTICLE VI
Officers**

SECTION 1. Number.

The officers of the Cooperative shall be a President, Vice-President, and Secretary, and such other officers as may be determined to be necessary or desirable by the Board of Directors from time to time. The Vice-President and the Secretary may hold additional offices such as Treasurer if the Board decides that it is desirable. *(As amended October 19, 2013)*

SECTION 2. Election and Term of Office.

The officers shall be elected annually at the first meeting of the Board of Directors that occurs after the annual meeting of the members of the Cooperative. The officers shall be nominated by secret ballot by the members of the Board of Directors. After a slate of candidates is nominated, the members of the Board of Directors shall vote for the officer by secret ballot. The winning candidate must receive a majority of the votes. If one candidate does not receive a majority after the first ballot, the members of the Board of Directors shall vote again for the candidates who received the two highest totals. The President shall be nominated and elected first. Then the Vice-President shall be nominated and elected. Then the Secretary shall be elected. Finally, any other officers that the Board of Directors chooses to elect shall be nominated and elected. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members of the Cooperative or until his or her successor shall have been elected and shall have agreed to serve. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term. *(As amended October 19, 2013)*

SECTION 3. Removal of Officers and Agents by Directors.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby. 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 per centum 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 him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President.

The President shall:

- (a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- (b) Sign, with the Secretary, documents which shall have been authorized by the Board of Directors or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. *(proposed changes)*

SECTION 5. Vice-President.

In the absence of the President, or in the event of his 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 to him by the Board of Directors.

SECTION 6. Secretary.

The Secretary with the help of the management of the Cooperative shall:

- (a) Keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) Keep a register of the names and post office addresses of all members;
- (e) Have general charge of the books of the Cooperative;
- (f) Keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to inspection of any member), and at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to such member; and

In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors. *(proposed changes)*

SECTION 7. Manager.

The Board of Directors may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board of Directors may from time-to-time vest in him.

SECTION 8. Compensation.

The powers, duties and compensation of officers, agents, employees and Board of Directors shall be fixed by the Board of Directors, subject to the provisions of these bylaws with respect to compensation for close relatives of directors. *(As amended April 2, 2021)*

SECTION 9. 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. *(proposed changes)*

**ARTICLE VII
Non-Profit Operation**

SECTION 1. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual 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 Utility Services.

In the furnishing of electric and/or water services the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. *(proposed changes)*

SECTION 3. Apportionment of Revenues.

The Board of Directors shall apportion the revenues of the Cooperative for any fiscal year for the following purposes in the order named:

1. To pay or provide for expenses of operation and maintenance of its facilities during such fiscal year;
2. To provide reasonable working capital;
3. To pay or provide for the payment of interest due in such fiscal year;
4. To pay or provide for the payment of principal obligations due in such fiscal year;
5. To provide working capital for the payment of indebtedness of the Cooperative in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following year;
6. To finance, or to provide a reserve for the financing of, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board of Directors; and

7. To provide working capital for contingencies or emergencies in an amount and to the extent deemed necessary by the Board of Directors.

Nothing herein contained shall be construed to prohibit the payment by the Cooperative of all or any part of its indebtedness prior to the date the same shall become due. *(proposed changes)*

SECTION 4. Patronage Refunds to Members.

Any capital derived from member patrons remaining after apportionment thereof as set forth in Section 3 of this Article may be distributed by the Cooperative to its members as patronage refunds prorated in accordance with the patronage of the Cooperative by the respective members paid for during such fiscal year, provided, however, the Board of Directors may exclude from participation in such patronage refund distribution any member served under individual contract designed to deliver power at wholesale or for resale.

Any other provision in these Bylaws or provisions in the membership agreement and application notwithstanding, any patronage capital refunds that remain unclaimed and/or undeliverable after the Cooperative's attempts to deliver them, for a period of two (2) years from the date the Cooperative first attempted to make payment, shall be deemed to be irrevocably assigned and contributed to the Cooperative for educational and charitable purposes. The Cooperative has set up a charitable tax-exempt corporation to administer such unclaimed and/or undeliverable refunds, such charitable tax-exempt corporation shall administer the funds for educational and charitable purposes. Failure to claim any such patronage capital payments shall include the failure by such member or former member or the personal representative or distribute of the estate of a former member to cash any check mailed to such person by the Cooperative. *(As amended February 11, 2017)*

ARTICLE VIII Disposition of Property

Unless otherwise permitted by Arizona law as the same exists or may hereafter be in effect, the Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all of the members at the meeting of the cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors of the cooperative, without authorization by members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust, upon, or the pledging, or encumbering, of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the cooperative, whether acquired or to be acquired and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the cooperative to the United States of America or any instrumentality or agency thereof, or to any person, association or corporation licensed, chartered or regulated by the United States, a state or any department or agency of either, including without limitation the National Rural Utilities Cooperative Finance Corporation; provided further that the Board of Directors may upon the authorization of a majority of those members of the cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another cooperative doing business in the state pursuant to the Act under which this cooperative is incorporated or to the holder or holders of any notes, bonds or other evidences of indebtedness issued to the United States of America or any agency or instrumentality thereof. *(proposed changes)*

ARTICLE IX

Amended By-Laws of Graham County Electric Cooperative, Inc.

Seal

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, State of Arizona"

ARTICLE X Financial Transactions

SECTION 1. Contracts.

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

SECTION 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other 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 of Directors.

SECTION 3. Deposits.

All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

SECTION 4. Change in Rates.

Any proposed change in the rates charged by the Cooperative for utility services or any change in any other charges to cooperative members for utility services shall be submitted to the Arizona Corporation Commission in accordance with state law and the rules and regulations promulgated by the Arizona Corporation Commission. *(proposed changes)*

SECTION 5. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first day of January of each year, and shall end on the thirty-first day of December of the same year.

ARTICLE XI Miscellaneous

SECTION 1. Membership in Other Organizations.

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the Board of Directors, purchase stock in or become a member of any Cooperative organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the administrator of RUS, of any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice.

Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting

for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Rules and Regulations.

The Board of Directors shall have the power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management business and affairs of the Cooperative.

SECTION 4. Accounting Systems and Reports.

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utility Service of United States of America. The books of the Cooperative shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four times a year at regular meeting of the Board of Directors. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of each fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting. *(As amended October 19, 2013)*

**ARTICLE XII
Amendments**

As provided in the Articles of Incorporation, the original By-Laws of the Corporation shall be adopted by its Board of Directors. The power to alter, amend or repeal the By-Laws or adopt new By-Laws, shall be vested in the Board of Directors. To complete a change in By-laws the following process will be followed:

1. Changes will be sent to the members 30 days in advance of the Board of Directors voting on the changes. The 30-day comment period is for members to send comments or ask questions. 2. The vote on the amended By-laws will be part of the next available board meeting. 3. Members will receive outcome of the vote and any additional information no later than 30 days after the approval of amended By-laws. *(proposed changes)*

Adopted April 27, 1945
Amended ?, 2021