

HANCOCK-WOOD ELECTRIC COOPERATIVE MEMBER HANDBOOK OF TERMS AND REGULATIONS

1399 Business Park Dr. S., P.O. Box 190, North Baltimore, OH 45872 • hwe.coop • info@hwe.coop • 800-445-4840

Members First!



HANCOCK-WOOD
ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative



Call 800-445-4840, email info@hwe.coop Visit our website at hwe.coop

Office hours are: Monday - Friday, 8 a.m. - 4:30 p.m.

Report an outage at 800-445-4840. Rapid alerts are on our Facebook/Twitter pages.

We are your *Members First!* Co-op – serving families and businesses in your community.
Learn why your electric cooperative is different from an investor-owned utility - Page 10

HOW YOUR ENERGY CO-OP WORKS

HANCOCK-WOOD ELECTRIC CO-OP IS HERE FOR YOU



**A powerful value
for 77 years.**

George Walton,
President and CEO

Hancock-Wood wishes you to be informed about the electric cooperative you now co-own with more than 10,000 other Member-owners.

By paying your electric bill, you make a monthly investment in your co-op, which gives you a voice, a vote and an interest in your co-op. You also receive money back via capital credits you will typically see as a credit on your December bill.

There are many benefits to being a co-op Member-owner which are outlined in your Member Handbook - the companion-piece to this terms and regulations booklet. In this publication, your co-op outlines the bylaws by which we are governed as trustees and employees. They are our Articles of Incorporation and Code of Regulations. The rules by which Member-owners are governed are the Terms and Conditions signed when one becomes a Member of Hancock-Wood. Contents follow with a brief explanation of each regulation:

Articles of Incorporation, pages 4-14: The rules that define and govern the Cooperative and its operations.

Code of Regulations, pages 15-22: The code which defines Member participation.

Terms and Conditions, pages 22-32: The board's policy about conditions Members agree to in order to receive electricity from the co-op.

To learn more about your Cooperative's bylaws, visit hwe.coop



MEMBER HANDBOOK ADVANTAGES

YOU CAN REACH US DAY OR NIGHT IN AN OUTAGE

If you experience an outage, even briefly, immediately call **800-445-4840**. No matter the hour of day or night, we will dispatch crews immediately to work toward rapid power restoration. Track our progress on our website under the outage viewer icon at right or on our website at <http://oms.hwe.coop>



OUTAGE VIEWER

View current outages. Report an outage at 800-445-4840.

Please do not rely on your neighbor to call or think we already know about your outage. We need to know how you are affected to properly respond and maintain your service quality.

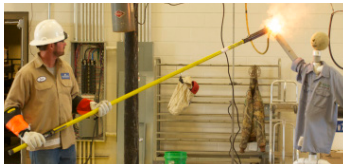
You always can be in the know by **signing up for text or other alerts**. It's easy and free – and you control how you receive important information from your co-op. Visit hwe.coop and learn the simple 1 - 2 - 3 steps.



SAFETY IS PARAMOUNT FOR YOU AND OUR EMPLOYEES

Hancock-Wood is a Members-First and Safety-First organization. Those two primary goals go hand in hand for us without conflict. We have a thorough program designed to promote the safety of Members and employees alike.

We work to uncover any safety deficiencies to minimize any exposure inherent in our work with electricity. This includes employee training such as First Aid, CPR, pole-top and bucket rescue, driving and office safety. We participate in the National Rural Electric Cooperative Association's (NRECA) safety accreditation program, an intensive certification process, to protect employees, Members and their property, as well as the general public. We meet national, state and local safety codes and have won awards at some of the highest levels. We also conduct live-wire safety demonstrations at schools and organizations so everyone keeps safe.



Always be safe around electricity.

ARTICLES OF INCORPORATION

The Hancock-Wood Electric Cooperative Articles of Incorporation define and govern the Cooperative and its operations. It follows in its entirety:

Adopted October 19, 1991

Amended October 3, 1998

Amended September 13, 2008

FIRST: The name of the Corporation shall be Hancock-Wood Electric Cooperative, Inc.

SECOND: The place in the State of Ohio where its principal office is located is North Baltimore, Henry Township, Wood County, Ohio.

THIRD: The purposes for which the Corporation is formed are:

- (1) To engage in operations as a public utility rendering electric service to members and non-member patrons; to purchase, acquire and accumulate electric power and/or energy for, and to transmit, distribute, furnish, sell and dispose of such electric power and/or 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 power and/or 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 supply of electric power and/or 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 monies 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;

ARTICLES OF INCORPORATION

(7) To assist its members and non-member patrons served by it to wire their premises and install therein electrical 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 power and/or energy and to engage in area development including water and sewer system installations, and similar activities, in order to promote and develop the use of electric power and/or energy, and to improve general economic conditions within the service area of the corporation;

(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 and 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 or restrict, in any manner, the general powers of the Corporation, and the Corporation shall be authorized to exercise and enjoy all 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 hereafter 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.

The enumeration of the foregoing purposes shall not be held to limit or restrict, in any manner, the general powers of the Corporation, and the Corporation shall be authorized to exercise and enjoy all 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 hereafter 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.

Don Barker, 7914 TR 21, McComb, OH 45858
Ed Crawford, 1017 Sunset Dr., Findlay, OH 45840
James Demler, 15445 TR 74, Findlay, OH 45840
Clark Duncan, 10282 Kramer Rd., Bowling Green, OH 43402
Don Haas, P.O. Box 53, Kelleys Island, OH 43438
Bob Hill, 22497 US Hwy 224, Fostoria, OH 44830
Tom Kagy, 22530 TR 51, Bluffton, OH 45817
Thad Schroeder, 2562 Road Y, Leipsic, OH 45856
Paul Thomas, 18734 CR 26, Mt. Blanchard, OH 45867
Paul Walters, 3992 Douglas Rd., Bradner, OH 43406

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

FIFTH: The Corporation shall at all times be operated as a Cooperative non-profit basis for the mutual benefit of its patrons as provided in the Cooperative's Code of Regulations as it now exists or hereafter as amended. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

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SIXTH: The corporation shall not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property except non-utility property or property purchased for resale, 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 sales, 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 provision 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 having facilities in the State of Ohio.

Notwithstanding the foregoing provision 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 Corporation's facilities so exchanged 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.



Hancock-Wood brings you the power!

CODE OF REGULATIONS

The Hancock-Wood Electric Code of Regulations define Member rules and regulations. It follows in its entirety:

Adopted October 19, 1991
Amended October 15, 1994
Amended October 19, 1996
Amended October 3, 1998
Amended September 17, 2005
Amended September 13, 2008
Amended September 20, 2014

ARTICLE I MEMBERSHIP

SECTION 1. Requirements For Membership. Any person, whether a natural person or firm, association, corporation, partnership, body politic, or subdivision thereof, will become a member of Hancock-Wood Electric Cooperative, Inc. (hereinafter called the Cooperative) upon receipt of electric and/or other energy service and/or other services from the Cooperative, provided that such person has first:

- (a) Made a written application for membership therein, which application is subject to approval by the Board of Trustees of the Cooperative (hereinafter called the Board);
- (b) Agreed to purchase from the Cooperative electric and/or other energy service and/or other services as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and Code of Regulations of the Cooperative and any rules and regulations adopted by the Board and
- (d) Was already receiving electric and/or other energy service and/or other services from a system which has merged or consolidation with, or otherwise been acquired by the Cooperative.
No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in this Code of Regulations.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Membership Certificates shall reflect the name of the person, firm, association, corporation, partnership, body politic or subdivision thereof, or other entity in whose name the membership is recorded. If a natural person, the membership certificate shall reflect the name of that person's spouse. Such certificate shall be signed either manually or by facsimile 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 of such certificate shall not affect the membership status of any person listed as a member in the Cooperative's membership records. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and conditions as the Board may prescribe.

The term "member" as used in this Code of Regulations shall include the husband or wife of the person in whose name the membership is recorded and all provisions relating to the rights and liabilities of membership shall apply equally to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a 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 constitute a joint waiver of notice of the meeting; and shall inure to the benefit of the heirs, executors, and administrators of such a person.

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- (b) The vote of either separately or both jointly shall constitute one vote;
- (c) A waiver of notice signed by either or both shall constitute a valid waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the membership;
- (f) Withdrawal of either shall terminate the membership; and
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

SECTION 3. Representation of Members. Membership applications for partnerships, corporations, organizations, associations, firms, bodies politic or subdivisions thereof shall be signed by the person authorized by such partnership, corporation, organization, association, firm, body politic or subdivision thereof, and the person signing such application shall, upon approval of the application, become the agent for the member on the records of the Cooperative, and shall be authorized to vote for the member in any election or balloting held by the Cooperative. Such organization may designate a voting delegate, other than the regularly authorized agent, at any Members' Meeting of the Cooperative. Such delegate shall be furnished written credentials by the organization which he represents at the particular meeting involved. It shall be the obligation of the partnership, corporation, organization, association, firm, body politic or subdivision thereof, to notify the Cooperative in the event of any change in person authorized to represent them in dealing with the Cooperative.

SECTION 4. Conversion of Membership. Upon the death of either spouse who is a member as outlined in Section 2 above, such membership shall be held solely by the survivor. Upon the dissolution or divorce of a member's marriage, the membership, as outlined in Section 2 above, shall be held solely by the spouse who continues to qualify as a member and resides at that location where electric service was being provided at the time of the dissolution or divorce. The outstanding membership certificate may be surrendered, and be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased or either party to a divorce or dissolution of a marriage, shall not be released from any debts due the Cooperative.

SECTION 5. Purchase of Electric and/or Other Energy Service and/or Other Services. Each applicant for electric and/or energy service and/or other services shall, as soon as the service is made available, purchase from, through, or in agreement with the Cooperative all such electric and/or other energy service and/or other services purchased for use on the premises specified in his application for such service, and shall pay therefor at rates and terms which shall from time to time be fixed by the Board in accordance with all applicable requirements of the law. Production or use of electric energy on such, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to such rules, regulations and policies as shall be fixed from time to time by the Board. It is expressly understood that amounts paid for electric and/or other energy service and/or other services 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 by him to the Cooperative as and when the same shall become due and payable. The Cooperative may, by resolution of the Board, require sufficient cash deposits from applicants for any service to insure payment of bills for such service.

SECTION 6. 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 or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him 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.

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(b) Upon the withdrawal, death, cessation of the Cooperative's service to, or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. The Board may adopt uniform rules governing the membership status of persons whose service is temporarily discontinued by the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts or obligations due the Cooperative.

SECTION 7. Service to all Persons Within the Cooperative's Service Area

(a) The Cooperative shall extend electric and/or other energy services and/or other services to all persons, whether members or non-members who are legally ineligible to become 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 and regulations of the Cooperative. All such rules and regulations shall be just, reasonable and not discriminatory or preferential. No discrimination or preference shall be made between members and non-member patrons of the Cooperative with respect to the rates or the terms or conditions of service. As used in this Code of Regulations, the term "service area" shall mean the entire geographic area wherein the Cooperative supplies electric and/or other energy services and/or other services or maintains electric facilities as well as all areas adjacent thereto where service may be rendered thereto by the Cooperative in compliance with all applicable laws and regulations.

(b) Nothing contained in this Code of Regulations, in the Cooperative's rules and regulations, policies, or otherwise shall be construed to prevent the Cooperative from selling electric and/or other energy services and/or other services or otherwise rendering such service to non-members who are legally ineligible to become 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 and/or other energy services and/or other services or otherwise rendering such service to any such subdivision, bodies, agencies, instrumentalities or the citizens thereof.

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 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 immediately 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 members 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 at place and time within the service area of the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of reporting on the election of Board members, passing upon reports for the previous fiscal year or other annual accounting period 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 and place shall not work a forfeiture or dissolution of the Cooperative. In the event that such annual meeting is not held, for any reason, a special meeting in lieu thereof shall be called and held as soon thereafter as convenient, and any business transactions or elections held at such meeting shall be valid as if transacted or held at the annual meeting.

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SECTION 2. Special Meeting. Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three Board members, or by ten per centum 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 the date and time and at any place within the service area of the Cooperative as designated by the Board.

SECTION 3. Notice of Members Meeting. Written 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 thirty-five days before the date of the meeting, either personally, or by mail, overnight delivery service, or any other means of communication authorized by the member to whom the notice is given, 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 prepaid. If sent by another means of communication authorized by the member, the notice shall be sent to the address furnished by the member for those transmissions. If electronically, such notice shall be deemed to be delivered when transmitted to the electronic address of the member as it appears on the records of the cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Notice of adjournment of a members meeting need not be given 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, shall constitute a quorum.

SECTION 5. Voting. Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or this Code of Regulations.

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:

- a. 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.
- b. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- c. Presentation and consideration of reports of officers, Board members and committees.
- d. Report on election of Trustees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

ARTICLE IV BOARD OF TRUSTEES

SECTION 1. General Powers. The entire business and affairs of the Cooperative shall be directed by a Board of ten Trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

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SECTION 2. Districts & Tenure of Office. The Board shall divide the service area of the Cooperative into ten (10) 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 the section requires such a change. Each District shall be represented by one Trustee. Three Trustees shall be elected each year (except four shall be elected in the years when District X elects a Trustee) by the members voting in the District which they are to represent to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, subject to the provisions of this Code of Regulations. No Trustee who has served four (4) successive 3-year terms shall be eligible for re-election or appointment as a Trustee until the expiration of 3 years from the end of his previous term.

SECTION 3. Qualifications. No person shall be eligible to become or remain a member of the Board who:

- a. Has not been a member of the Cooperative for, at least, the 3 most recent prior years, and at the time of election or appointment is not a member and bona fide resident in the particular District within the service area of the Cooperative which he is to represent or who shall not continue to be a member and a bona fide resident, receiving service from the Cooperative in the District which he represents, after his election or appointment to the Board or
- b. Is an employee of the Cooperative or has been an employee of the Cooperative within the previous three (3) years or is closely related to an employee of the Cooperative or is in any way employed by or financially interested in a competing enterprise or a business selling electric power and/or energy, or supplies to the Cooperative. Closely related, in this Section shall be as specified in Article IV Section 8 (c). Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken by the Board.

SECTION 4. Nominations and Elections.

(a) Trustees shall be nominated by a procedure commencing with the mailing of a letter by the Secretary to each member residing within the district or being eligible to vote within the district for which a Trustee is to be elected not less than seventy (70) days prior to the annual meeting. Each letter shall contain a nominating ballot and a self-addressed, postage -paid envelope by which the member receiving such ballot may nominate for the position any bona fide member of the Cooperative living within his District. The nominating ballot when completed shall be returned in the self-addressed, postage-paid envelope to the Secretary of the Cooperative postmarked not later than fifteen (15) days after the date the ballots were mailed to the members. The Election Committee, which consists of the Secretary and two (2) other members named by the Board, shall tabulate the ballots and declare the nominees from that District to be the two members receiving the highest number of votes who meet the qualifications and accept the nomination. If more than the number of persons to be nominated for or elected to an office receives the largest and an equal number of votes, such tie shall be resolved by lot by the Secretary of the Cooperative in the presence of the other two members of the Committee. In the event of an election being held in the District represented by the Secretary, the Board shall appoint some other Trustee, in whose District no election is scheduled, to serve on the Elections Committee and to perform the duties herein required of the Secretary.

(b) An election ballot shall be prepared by the Secretary along with a self-addressed, postage-paid envelope and mailed at least twenty-five (25) days prior to the annual meeting to each member in the District in which nominations have been held. The ballot shall list the nominees. The ballot when voted shall be returned by mail to the Secretary of the Cooperative and post marked at least fifteen (15) days prior to the annual meeting. The same Committee which handled the tabulation of the nominating ballots shall tabulate the ballots for the election of Trustees and shall thereby determine the successful candidates. The results of the election shall be announced by a member of the Election Committee at the annual meeting. 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.

(c) Voting by electronic media may be utilized with the implementation of procedures and policies by the Board that safeguard the integrity of the voting process.

SECTION 5. Removal of Board Member. Any member may bring specific charges of nonfeasance, misfeasance or

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malfeasance in office against a Board member 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 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 the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. No Board member shall be removed unless specific charges against such member are supported by substantial evidence. The question of the removal of such Board member shall be considered and voted upon at the meeting of members and any vacancy created by such removal shall be filled as provided in Section 7.

SECTION 6. Resignations. A Board member may resign by tendering his written notice to do so to the secretary. Absence from three consecutive regularly scheduled monthly Board meetings shall constitute a resignation, unless at the meeting following a third absence a majority of the Board votes to excuse such absences.

SECTION 7. Vacancies. A vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term subject to all terms and conditions of this Code of Regulations with respect to nominations, qualifications, elections and tenure.

SECTION 8. Compensation

a. Trustees shall not receive any salary for their services as such. However, the Board may, by resolution, authorize a fixed sum for each day, or portion thereof, spent on Cooperative or its subsidiaries business such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the Board.

b. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative or its subsidiaries business, or be granted a reasonable per diem allowance in lieu of detailed accounting for some of these expenses.

c. Except in emergencies, no Trustee shall receive compensation for serving the Cooperative or its subsidiaries in any other capacity, nor shall any close relative of a Trustee receive compensation for serving the Cooperative or its subsidiaries, unless such compensation shall be specifically authorized by 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 without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place, either within or without the State of Ohio, 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 Meeting. Special meetings of the Board may be called by the Chairman of the Board 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 Chairman of the Board 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 Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the Secretary, by the Chairman of the Board or the Board members 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 at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least three days before the date set for the meeting.

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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 Chairman of the Board, Vice Chairman, Secretary, Treasurer, President and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. Each officer, except the President and any officer 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. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his 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. The President shall be chosen and employed and his compensation shall be set by the Board. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

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 Chairman, 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 members 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 at least 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 questions of his 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 President containing terms and conditions relating to the removal of the President 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 Chairman of the Board 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 President, may be filled by the Board for the unexpired portion of the term. In the event of a vacancy in the office of President, the Board shall choose and employ a President upon terms and conditions which the Board considers to be in the best interests of the Cooperative.

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SECTION 7. Chairman of the Board. The Chairman of the Board shall:

- a. Be the principal 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 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 Chairman of the Board and such other duties as may be prescribed by the Board from time to time.

SECTION 8. Vice Chairman of the Board. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board, and when so acting shall have all the power of and be subject to all the restrictions upon the Chairman of the Board. The Vice Chairman of the Board shall also perform such other duties as from time to time may be assigned to him by the Board or by the Chairman of the Board.

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 post office addresses of all members;
- e. Signing, with the Chairman of the Board, 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, furnish 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 to him 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 he shall hold office until relieved by the Board. He 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 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

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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 to him by the Board.

SECTION 12. Assistant Treasurer. If an Assistant Treasurer is appointed by the Board pursuant to Section 3 of this ARTICLE VI, he need not be a member of the Board and he shall hold office until relieved by the Board. He shall assist the Treasurer in the performance of the Treasurer's duties as requested by the Treasurer or by the Board.

SECTION 13. President. The President shall:

ba. Be the General Manager and chief executive 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 operations of the Cooperative; and

d. In general perform all duties incident to the office of President as chief executive officer and perform such other duties as may from time to time be assigned to him 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. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of this Code of Regulations with respect to compensation for a Board member and close relatives of a Board member. The Board may delegate the fixing of the compensation of employees, except that of the President, to the President, within a range determined by the Board.

SECTION 16. 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 or such other annual accounting period as the Board may determine. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year or other annual accounting period used.

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. A patron as used herein shall include members and non-members alike.

SECTION 2. Patronage Capital in Connection with Furnishing Electric and/or Other Energy Services and/or Other Services

(a) In the furnishing of electric and/or other energy service and/or other services the Cooperative's operations shall be so conducted that all patrons 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 for all amounts received and receivable from the furnishing of electric and/or other energy services and/or other services in excess of operating costs and expenses properly chargeable against the furnishing of electric and/or other energy services and/or other services.

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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. 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 end of the calendar year notify each patron of the amount of capital so credited to his account. All such accounts 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 of capital. All other amounts received by the Cooperative from its operations other than from the furnishing of electric and/or other energy service and/or other services in excess of costs and expense shall insofar as permitted by law, be:

1. Used to offset any losses incurred during the current or any prior fiscal year, and,

2. 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 a part of the capital credited to the accounts of patrons, as herein provided.

(b) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding patronage capital credited shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

(c) If, at any time prior to dissolution or liquidation, the Board shall determine that the financial conditions of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being the first retired; or the Board may, at its discretion, retire capital credited on a percentage basis. In the event that such percentage basis is used the Board shall determine the percent of total capital credited to be retired without impairment to the financial condition of the Cooperative, and this same percentage figure shall then be applied to the balance of accumulated capital credited to each patron or former patron and the resulting amount shall then be paid to each patron or former patron; or the Board may, at its discretion, determine the method, basis, priority and order of making any retirement. Provided further, however, that the Board shall have the power to adopt rules providing for the separate retirement of that portion of capital credited to the account of the Cooperative by an associated organization furnishing electric service and/or furnishing financing service to the Cooperative. Such rules shall:

1. provide for separate identification of such capital credited on the Cooperative's books,

2. establish a method for allocating such capital credited to each patron on a separate basis for each year,

3. provide for appropriate notification to patrons with respect to such separate capital credited to their accounts, and

4. preclude a general retirement of any such capital credited to patrons for any year prior to the general retirement of other capital credited to patrons for the same year or for any prior year.

(d) At the discretion of the Board, the capital credited to any discontinued or former patron who has moved off the line and which shows a remaining balance of fifty and no/100 (\$50.00) dollars or less may be retired in full regardless of the order of priority according to year in which the capital was furnished and credited or regardless of the percentage being retired in any one year to all patrons, past or present, depending upon which retirement plan is being used. Payment under this provision shall be discounted to the present day value of the amount credited to the former patrons' account compared to the date any priority or percentage of the account would have been retired and paid as determined by the last percentage or priority of capital credit retirements authorized and paid by the Board in any one year.

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(e) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise except as herein otherwise provided.

(f) Notwithstanding any other provision of this Code of Regulations, the Board at its discretion, shall have the power at any time upon the death of any patron, who is a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of this Code of Regulations, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(g) Notwithstanding any other provision of the Code of Regulations or other provision of the membership certificate, if any patron or former 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 to him by notice or check mailed to him at his last address furnished by him to the Cooperative, 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 or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him 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 or former patron without claim therefor and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to such patron or former patron at the last known address and the notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative Newsletter. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice or sixty (60) days following the last date of publication thereof, whichever is later.

(h) 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. The provisions of this article and the Code of Regulations shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

(i) Notwithstanding any other provisions of the Code of Regulations, the Board, at its discretion, may allocate capital credits for an individual patron or class of patrons based upon rates and cost-of-service for that patron or class, and the Board, at its discretion, shall determine the time, manner and method for payment of capital credits.

SECTION 3. Capital Credited As An Offset Against Debts to Cooperative. Notwithstanding any other provisions of the Code of Regulations, no capital credited to any patrons' account shall be retired, transferred, paid or assigned so long as any debts are due and owing the Cooperative by said patron, and provided further, the Board shall have the right and authority to offset the capital credited to any patrons' account against any debts due and owing from such patron in an amount equal to the indebtedness, plus interest on said indebtedness accruing at an amount up to but not exceeding the highest legal rate allowed by law until such time as the capital credits have been retired sufficiently to pay the debt. Such offset shall be made in the same proportion of capital credited as is currently being retired and offered to any other patron in any one year as determined by the Board.

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ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative shall not sell, lease, mortgage, or in any other manner dispose of all or any substantial portion of its property unless such sale, lease, or other disposition, 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, lease, or other disposition, shall have been contained in the notice of the meeting, except as hereinafter provided:

It is, however, specifically provided that the Board of Trustees 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.

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, effect the sale to, or the merger or consolidation of the Cooperative with another non-profit electric cooperative having facilities in the State of Ohio.

Notwithstanding the foregoing provisions of this Article, nothing contained herein shall be deemed or construed to prohibit an exchange of 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.

Notwithstanding all other provisions of this Article, nothing contained herein shall prohibit the sale of Non-Utility Property owned by the Cooperative or of property purchased for re-sale in furthering the profitable or beneficial use of electrical energy, when, in the judgment of the Board (1) the price to be received is a fair reflection of value of the property to be sold, or (2) when the sale of such property is in the best interest of the Cooperative, or (3) when the operating or financial position of the Cooperative will be improved by such sale.

ARTICLE IX 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 "Hancock-Wood Electric Cooperative, Inc., North Baltimore, Ohio, SEAL." 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 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.

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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 January of each year and shall end on the thirty-first day of December of the same year or such other annual accounting period as the board may determine.

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 required and be designated by the Rural Development Utilities Programs, if applicable. The Board shall also cause to be made in full a complete audit of accounts, books and financial condition of the Cooperative by a Certified Public Accountant on an annual basis. A report of such audit shall be submitted to the members at the next annual meeting.

SECTION 4. Membership In Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organization, except its subsidiaries, 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, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification and/or other energy services and/or other services, or with the approval of the Administrator of RDUP, of any other corporation for the purpose of acquiring electric and/or other energy services and/or other service facilities.

SECTION 5. Periodical for Members. Publications shall be prepared and forwarded monthly by regular U.S. mail or if electronically, pursuant to the provisions of Article XI, Section 7, to all members of the cooperative at their mailing or electronic address as appears on the records of the Cooperative.

SECTION 6. Changes in Rates. Written notice shall be given to the Administrator of the Rural Development Utilities Programs of the United States of America, if applicable, not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy shall become effective.

SECTION 7. Electronic Documents. If a member owns, controls, or has reasonable access to the applicable or necessary hardware and software; has provided the Cooperative with an authorization to provide notice and/or forward publications electronically and has provided the Cooperative with his electronic address, then regardless of a contrary By-law, as determined by the board and as allowed by law:

- (1.) the member consents to receive notice and publications electronically; ("Electronic Document"); and
- (2.) an Electronic Document sent to the member satisfies a requirement that the underlying notice or publication be in writing; and
- (3.) electronically sending an electronic notice or publication satisfies a requirement that the notice or publication be sent personally, by overnight delivery or by mail; and An Electronic Document electronically sent to a member or former member at the member or former member's last known electronic address is considered sent and on the date sent by the Cooperative.

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ARTICLE XII

CAMENDMENTS

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

ARTICLE XIII

INDEMNIFICATION

SECTION 1. Third Party Action Indemnification. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding, including all appeals (other than an action, suit or proceeding by or in the right of the Cooperative), by reason of the fact that such person is or was a trustee, officer, employee, or volunteer as defined in Section 1702.01(N) of the Ohio Revised Code ("volunteer"), of the Cooperative, or is or was serving at the request of the Cooperative as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Cooperative, and with respect to any criminal action or proceeding, such person had reasonable cause to believe that such person's conduct was unlawful; the termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that such person did not act in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Cooperative and with respect to any criminal action or proceeding, a presumption that such person had reasonable cause to believe that such persons' conduct was unlawful.

SECTION 2. Derivative Action Indemnification. The Cooperative shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit, including all appeals, by or in the right of the Cooperative to procure a judgment in its favor by reason of the fact that such person is or was a trustee, officer, employee or volunteer of the Cooperative, or is or was serving at the request of the Cooperative as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of the action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Cooperative, except that no indemnification shall be made in respect of any of the following: (a) any claim, issue or matter as to which such person is adjudged to be liable for negligence or misconduct in the performance of such persons duty to the Cooperative unless and only to the extent that the Court of Common Pleas or the court in which the action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas or other court shall deem proper; (b) any action or suit in which liability is asserted against a trustee and that liability is asserted only pursuant to Section 1702.55 of the Ohio Revised Code.

Section 3. Determinations of Indemnification. Any indemnification under Section 1 or Section 2 of this Article XIII (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of a trustee, director, officer, employee, or volunteer is proper in the circumstances. The determination shall be made (a) by a majority vote of those members of the Board who, in number constitute a quorum of the Board and who also were not and are not parties to or threatened with any such action, suit or proceeding or (b), if such a quorum is not obtainable (or even if obtainable) and a majority of disinterested members of the Board so directs, in a written opinion by independent legal counsel compensated by the Cooperative or (c) by the court in which the action, suit, or proceeding was brought.

CODE OF REGULATIONS

SECTION 4. Advances of Expenses. Unless the action, suit, or proceeding referred to in Section 1 or Section 2 of this Article XIII is one in which the liability of a trustee under Section 1702.55 of the Ohio Revised Code is the only liability asserted, expenses (including attorneys' fees) incurred by the trustee, officer, employee, or volunteer of the Cooperative in defending the action, suit, or proceeding shall be paid by the Cooperative as they are incurred, in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the trustee, officer, employee, or volunteer in which such person agrees both (a) to repay the amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that such person's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Cooperative or undertaken with reckless disregard for the best interest of the Cooperative and (b) to cooperate with the Cooperative concerning the action, suit or proceeding.

SECTION 5. Purchase of Insurance. The Cooperative may purchase and maintain insurance or furnish similar protection, including, but not limited to, trust funds, letters of credit and self-insurance, for or on behalf of any person who is or was a trustee, officer, employee, agent, or volunteer of the Cooperative, or is or was serving at the request of the cooperative as a trustee, director, officer, employee, agent, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the cooperative would have the power to indemnify him against liability under the provisions of this Article XIII or of the Ohio Nonprofit Corporation Law. Insurance may be purchased from or maintained with a person in which the Cooperative has a financial interest.

SECTION 6. Mergers. Unless otherwise provided in the agreement of merger pursuant to which there is a merger into this Cooperative of a constituent corporation that, if its separate existence had continued, would have been required to indemnify trustees, directors, officers, employees, or volunteers in specified situations, any person who served as a trustee, officer, employee or volunteer of the constituent corporation, or served at the request of the constituent corporation as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit corporation, or corporation for profit, or a partnership, joint venture, trust, or other enterprise, shall be entitled to indemnification by this Cooperative (as the Surviving Corporation) to the same extent such person would have been entitled to indemnification by the constituent corporation if its separate existence had continued.

SECTION 7. Non-Exclusivity; Heirs. The indemnification provided by this ARTICLE XIII shall not be deemed exclusive of, and shall be in addition to, any other rights granted to a person seeking indemnification as a matter of law or under the Articles of Incorporation, this Code of Regulations, any agreement, vote of the members of the Cooperative or the disinterested members of the Board, any insurance purchased by the Cooperative, any action by the Board to take into account amendments to the Ohio Nonprofit Corporation Law that expand the authority of the Cooperative to indemnify a trustee, director, officer, employee, or volunteer of the Cooperative, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding an office or position, and shall continue as to a person who has ceased to be a trustee, director, officer, employee or volunteer

Section 8. Liability of a Trustee or Officer. Other than in connection with an action or suit in which the liability of a trustee under Section 1702.55 of the Ohio Revised Code is the only liability asserted, a trustee or officer of the Cooperative shall be liable in damages for any action he takes or fails to take as a trustee or as an officer, as the case may be, only if it is proved, by clear and convincing evidence, in a court with jurisdiction that his act or omission was one undertaken with deliberate intent to cause injury to the Cooperative or was one undertaken with a reckless disregard for the best interests of the Cooperative.

TERMS AND CONDITIONS

The Hancock-Wood Electric Cooperative Terms and Conditions are the conditions Members agree to receive electricity from the co-op. It follows in its entirety:

TERMS & CONDITIONS FOR THE SALE OF ELECTRIC SERVICE

The following TERMS AND CONDITIONS and any changes authorized by the Board of Trustees or law will apply to the sale of electric service under the established rate or rates authorized by the Board of Trustees and currently applicable at time of sale.

1. GENERAL

1.1 Electric service will be supplied in accordance with the Articles of Incorporation, Code of Regulations and these Terms and Conditions and any changes required by the Board of Trustees or law, and such applicable rate or rates as may from time to time be authorized by the Board of Trustees. However, in the case of a Customer whose service requirements are of unusual size or characteristics, additional or special rate and contract arrangements may be required.

1.2 These Terms and Conditions shall be considered a part of all of the Company rate schedules, except where specifically changed by written agreement by the Company.

1.3 In case of conflict between any provision of a rate schedule and the Terms and Conditions, the provisions of the rate schedule shall apply.

1.4 The failure of the Company to insist upon strict performance of any of the provisions in the Terms and Conditions, or to exercise any of the rights or remedies provided in the Terms and Conditions, or any delay in the exercise of any of the rights or remedies, shall not release the Customer from any responsibilities or obligations imposed by Law or by the Terms and Conditions, and shall not be deemed a waiver of any right of the Company to insist upon strict performance of the Terms and Conditions.

2. ESTABLISHMENT OF SERVICE

2.1 Application for Service - Customer requesting electric service may be required to appear at Company's place of business to produce proof of identity and sign Company's membership application for service and/or a contract before service is supplied by Company.

2.1.1 In the absence of a signed application or contract for service the supplying of electric service by the Company and acceptance thereof by Customer shall be deemed to constitute a service agreement by and between the Company and Customer for delivery, acceptance of and payment for service, subject to Company's applicable rates and rules and regulations.

2.2 Service Establishment Charge - Customer will be required to an after-hours charge of \$100/hour, with a two hour minimum, including travel and preparation time should Customer request service be established during a period other than regular working hours.

2.3 Service Re-establishment Charge - A service re-establishment charge of \$25 for residential and nonresidential electric service will be assessed each time Company is required to reconnect or re-establish electric service to Customer's delivery point Billing for the service re-establishment charge may be rendered as a part of the Customer's first monthly bill.

2.3.1. Customer will be required to pay the above appropriate service re-establishment charge and an after-hours charge of \$100/hour should Customer request service be re-established during a period other than regular working hours.

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4 Grounds For Refusal Of Service - Company may refuse to establish or re-establish service if any of the following conditions exist:

2.4.1 Applicant has an outstanding amount due with the Company and is unwilling to make payment or enter into a payment agreement or provide sufficient assurance that the amount due will be paid.

2.4.2 A condition exists which in Company's judgment is unsafe or hazardous.

2.4.3 Applicant has failed to make the security deposit requirements set forth by Company as specified under 2.6

2.4.4 Applicant is known to be in violation of Company's rate schedule.

2.4.5 Applicant fails to furnish to Company funds, service entrance equipment, and/or right-of-way required to serve Applicant and which have been specified as a condition for providing service.

2.4.6 Applicant falsifies his or her identity for the purpose of obtaining service.

2.4.7 Service is already being provided at the address for which Applicant is requesting service.

2.4.8 Service in the name of another Customer currently living with the applicant at the same address for which service is being requested and that Customer has been terminated for nonpayment and a delinquent balance is still outstanding.

2.4.9 Prior Customer was terminated for any of the below reasons and continues to reside on the premises for which applicant requests service.

- a). Company has evidence of meter tampering or fraud.
- b). Failure to pay a delinquent bill for utility service.
- c). Failure to maintain deposit requirements.
- d). Failure to pay for a bill to correct a previous underbilling.
- e). Failure to comply with curtailment procedures imposed by the Company during supply shortages.
- f). Failure to provide reasonable and safe access to Company's equipment and property.
- g). Breach of written contract between Company and Customer.

2.4.10 Applicant has failed to obtain all required permits and/or inspections indicating that Applicant's facilities comply with local construction and safety codes.

2.5 Establishment of Residential Credit or Security Deposit

2.5.1 Residential Establishment of Credit - All new applicants shall pay a \$5 application fee for new service. If the results of a credit check indicate the individual has good credit, the company shall not require a security deposit from a new Applicant for residential electric service if Applicant is able to meet any of the following requirements:

2.5.1.1 Applicant owns premises being served.

2.5.1.2 Applicant can provide a letter regarding credit or verification from an electric utility where service of a comparable nature was received within the last two years, and the letter states that the Applicant had a satisfactory payment history at time of service discontinuation, and such service was for at least 12 consecutive months.

2.5.2 Residential Establishment of Security Deposit - When credit cannot be established as provided for in Section 2.5.1 hereof or when it is determined that Applicant left an unpaid final bill owing to another utility, Applicant may be required to place a cash deposit to secure payment of bills for service.

2.6 Establishment of Nonresidential Credit or Security Deposit

TERMS AND CONDITIONS

2.6.1 Nonresidential Establishment of Credit - Company shall not require a security deposit from a new Applicant for Nonresidential electric service if Applicant is able to meet any of the following requirements:

2.6.1.1 Applicant can provide a letter regarding credit or verification from an electric utility where service of a comparable nature was last received which states applicant had a satisfactory payment history at time of service discontinuation, and such service was for at least 12 consecutive months.

2.6.2 Nonresidential Establishment of Security Deposit - All nonresidential customers may be required to:

2.6.2.1 Place a cash deposit to secure the payment of bills for service as prescribed herein

2.7 Re-establishment of Security Deposit

2.7.1 Residential - Company may require a residential Customer to establish or reestablish a security deposit if Customer has been disconnected for nonpayment during the last twelve (12) months, or when Customer's financial condition may jeopardize the payment of their bill as determined by a bankruptcy filing.

2.7.2 Nonresidential - Company may require a nonresidential Customer re-establish a security deposit if the Customer becomes delinquent or if the Customer has been disconnected for nonpayment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill, as determined by a credit investigation, financial reorganization notice or bankruptcy filing.

2.8 Security Deposits

2.8.1 Residential security deposits must be a cash deposit and may be up to 130% of the monthly average of the annual consumption of electrical service by such Customer as estimated by the Company or higher as may be permitted by law.

2.8.1.1 Deposits will automatically be refunded after 12 months of service provided Customer has not been delinquent in the payment of bills or disconnected for nonpayment during the previous twelve (12) consecutive months, unless Customer has filed bankruptcy.

2.8.2 Nonresidential security deposits must be cash, money order or certified check and shall not exceed 130% of the monthly average of the annual consumption of electrical service by such Customer for the property as estimated by the Company or higher as may be permitted by law.

2.8.2.1 Deposits on file with the company will be reviewed after 12 months of service and will be refunded or released provided Customer has not been delinquent in the payment of bills or disconnected for nonpayment during the previous twelve (12) consecutive months.

2.8.3 Company reserves the right to increase or decrease the security deposit amount when the Customers' average consumption changes by more than ten (10) percent for resident accounts within a twelve (12) consecutive month period and five (5) percent for nonresidential accounts within a twelve (12) consecutive month period. Separate security deposits may be required for each location. Company reserves the right to increase the security deposit amount to reestablish service if that customer's average consumption has changed by more than 10% for residential accounts and 5% for nonresidential accounts within a twelve (12) consecutive month period. Separate security deposits may be required for each location where a customer has service.

2.8.4 Customer security deposits shall not preclude Company from terminating agreement for service or suspending service for any failure in the performance of Customer obligation under the agreement for service.

2.8.5 On all cash deposits, interest at the rate of not less than three (3%) percent per annum shall be allowed and paid to the customer on the deposits, provided it remains on deposit for more than six (6) months.

2.8.6 Cash deposits on inactive accounts or accounts where service has terminated may be applied to the final bill, if any, and will be refunded to the Customer within sixty (60) days.

TERMS AND CONDITIONS

2.9 Line Extensions - Installations requiring the Company to extend its facilities in order to establish service will be made in accordance with Company's Conditions Governing Extensions of Electric Distribution Lines and Services.

2.10 Three Phase Service Installation - All new three phase service installations for 150 kVA or greater will be required to sign a contract with the Company. The contract will provide for service capacity, voltage requirements, minimum bill capacities and length of agreement.

3. RATES

3.1 Rate Information - Company shall provide a copy of the rate schedule to the Customer, when requested. In addition, Company shall notify Customers of any change in rate schedules affecting those Customers.

3.2 Rate Selection - Customer's service characteristics and service requirements determine the selection of the applicable rate schedule. Company will use reasonable care in initially establishing service to the Customer under the most advantageous rate schedule applicable to the Customer. However, because of varying Customer usage patterns and other reasons, Company cannot guarantee that the most economic applicable rate will be applied. Company will not make any refunds in any instances where it is determined that Customer would have paid less for service had Customer been billed on an alternate applicable rate or provision of a rate.

4. BILLING AND COLLECTION

4.1 Customer Service Installation and Billing - Service billing periods normally consist of approximately 30 days unless designated otherwise under the rate schedules or at Company option.

4.1.1 Customer service installations will normally be arranged to accept only one type of standard service at one point of delivery to enable service measurement through one meter. If Customer requires more than one type of service, or total service cannot be measured through one meter according to Company's normal practice, separate meters will be used and separate billing rendered for the service measured by each meter.

4.1.2 When regular, accurate meter readings are not available or the electric usage has not been accurately measured, the Company may estimate the Customer's energy usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available meter readings, records of historical use, and general characteristics of the Customer's load and operation.

4.1.3 Where a meter error is discovered as a result of a meter test, the Company may render an adjusted bill to the Customer for the amount of the undercharge, and shall issue a refund or credit to the Customer's account for the amount of the overcharge. Such adjusted bill shall be computed as follows:

4.1.3.1 Fast Meter: If a meter is registering more than 2% fast, the Company shall refund to the Customer the amount of the overcharge based on the corrected meter readings or the utility's estimate of the energy usage either for the known period of the meter error or, if the period of error is not known, for the period during which the meter was in use, in either situation for a period not exceeding one year.

4.1.3.2 Slow Meter: If a meter is more than 2% slow, the Company may bill the Customer for the amount of the undercharge based on corrected meter readings or the Company's estimate of the energy usage either for the known period of meter error or, if the period of the meter error is not known, for the period the meter was in use, in either situation the billing shall not exceed twelve (12) months for any class of service.

4.1.3.3 Non-registering Meter: If a meter is found to be non-registering, the Company may bill the Customer for the amount of the underbillings based on the Company's estimate of the electric service used but not registered, for a period not exceeding twelve (12) months.

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4.1.4 Adjustment of Bills for Billing Error

Where the company overcharges or undercharges a customer as the result of a billing error which may include incorrect meter reads or clerical errors by a Company representative such as applying the wrong rate, wrong billing factor or an incorrect calculation, the Company may render an adjusted bill for the amount of the undercharge, and shall issue a refund or credit to the customer for the amount of the overcharge, for the period of the billing error, but in no event shall the amount billed, refunded or credited exceed a twelve (12) month period. The twelve (12) month limitation shall not apply to a customer who has tampered with Hancock-Wood Electric's metering equipment or engaged in any other illegal activities that effect usage or billing rates. Payments from residential customers on undercharges shall be collected in equal payments over a twelve (12) month consecutive period without penalties or interest or over such larger or shorter time period as the Company and Customer may agree.

4.2 Collection Policy - The following collection policy shall apply to all customer accounts:

4.2.1 All bills rendered by the Company are due and payable no later than fifteen (15) days from the billing date. Any payment not received within this time frame shall be considered past due. Bills for which payment has not been received within fifteen (15) days of the past due date will be considered delinquent. All delinquent bills shall be subject to the provisions of the Company's termination procedure. Company reserves the right to suspend or terminate Customer's service for:

- a). nonpayment of delinquent service bills;
- b). nonpayment of service establishment charges;
- c). nonpayment of security deposits;
- d). nonpayment of meter test charges;
- e). nonpayment of returned check charges;
- f). nonpayment of late charges;
- g). nonpayment of collection charges;
- h). nonpayment of miscellaneous charges owed the company;
- i). and/or to declare past due service bill amounts, past due service establishment charges, past due security deposits, past due meter test charges, past due returned check charges, and past due collection charges subject to a one-time late charge of 5%.

4.2.2 If Customer has one or more utility services with Company and one or more of such services is terminated for nonpayment and Customer is unwilling to make arrangements with Company for payment, Company shall be entitled to transfer the balance due on the terminated service(s) to any other active utility account of Customer. The failure of the Customer to pay the active account shall result in the suspension or termination of service thereunder. However residential electric service shall not be discontinued, because of nonpayment of other classes or types of electric service.

4.2.3 Customers shall be assessed late fees if payments for their electric bills are not received by the due date listed on the bill. Management may, but is not required to, exempt customers from late fees due to certain uncontrollable circumstances that may exist. If it is determined that the customer has only been late on one month's bill in the most recent 12 month-period, the late fee will be waived

4.3 Responsibility for Payment of Bills - Customer is responsible for the payment of bills for energy use recorded by the meter or estimated by Company, until service is ordered discontinued, and the Company has had two (2) working days time to secure a final meter reading.

4.4 Returned Checks - If Company is notified by the Customer's bank that the bank will not honor a payment tendered by Customer for payment of any bill, Company may require the Customer to make payment in cash, by money order, certified check or other means which guarantee the Customer's payment to the Company.

4.4.1 Customer shall be charged a fee of twenty five dollars (\$25.00) for each instance that a bill payment is not honored by the Customer's bank.

TERMS AND CONDITIONS

4.4.2 The tender of a dishonored item shall in no way:

i) relieve Customer of the obligation to render payment to Company under the original terms of the bill; .5 Reconnection Charge During normal working hours, a reconnection fee of \$50 will be charged on accounts that have been disconnected for nonpayment. If the customer requests reconnection of service to an account which has been disconnected for nonpayment after normal working hours, an additional charge of two hundred and fifty dollars (\$250.00) must be paid prior to service re-establishment.

4.5.1 To avoid discontinuation of service, Customer may make payment in full, including any necessary deposit in accordance with Section 2.5 or, at Company option, may make acceptable payment arrangements.

4.6 Payment Assistance and Counseling - The Company will provide the following services to Customers unable to pay their bills.

4.6.1 The Company will offer installment payment plans to allow Customers to amortize past due and current amounts over a reasonable period of time. Customers who default on installment payment plans may not qualify for future installment payment arrangements.

4.6.2 Customer making payments on an installment payment plan must keep the account current as charges for service accrue.

4.6.3 Company will furnish Customer upon request, information on the availability of alternate sources of financial assistance.

5. SERVICE RESPONSIBILITIES OF COMPANY AND CUSTOMER

5.1 Responsibility: Use of Service or Apparatus - Company and Customer assume all responsibility on their respective sides of the point of delivery for the electric service supplied and taken, as well as for any apparatus used in connection therewith.

5.1.1 Customer and Company each shall save the other harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from the electric service or the use thereof on their respective sides of the point of delivery. Company shall, however, have the right to suspend or terminate service in the event Company should learn of service use by Customer under hazardous conditions or for illegal purposes.

5.1.2 Customer shall exercise all reasonable care to prevent loss or damage to Company property installed on Customer's premise for the purpose of supplying service to Customer.

5.1.3 Customer shall be responsible for payment of loss or damage to Company property on Customer's premises arising from neglect, carelessness or misuse, and shall reimburse Company for the cost of necessary repairs or replacements.

5.1.4 Customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering, tampering or by-passing Company's meter.

5.1.5 Customer shall be responsible for notifying Company of any failure in Company's equipment.

5.1.6 Customer must give Company prior notice of an increase in load.

5.2 Service Interruptions: Limitations on Liability of Company - Company shall not be liable to Customer for any damages occasioned by fluctuations, interruptions or curtailment of electric service except where caused by Company's willful misconduct or gross negligence. Company may, without incurring any liability therefore, suspend Customer's electric service for periods reasonably required to permit Company to accomplish repairs to or changes in any of Company's facilities.

TERMS AND CONDITIONS

5.2.1 In the event of a national emergency or local disaster resulting in disruption of normal service, Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

ii) or, defer Company's right to terminate service for nonpayment of bills.

45.2.2 Rolling Blackouts/Brownouts - In the event of a local, regional or national power shortage, Company may interrupt service to Customers on a temporary, rotating basis until normal service can be restored.

5.3 Company Access to Customer Premises - Company's authorized agents shall have safe access to Customer's premises at all reasonable hours to install, inspect, read, repair or remove its meters; to install, operate or maintain other Company property, and to inspect and determine the connected electrical load. Neglect or refusal on the part of the Customer to provide such access shall be sufficient cause for discontinuance of service by Company, and assurance of access may be required before service is restored.

5.4 Easements - All suitable easements and right-of-way required by the Company for any portion of the extension which is on premises owned, leased or otherwise controlled by Customer shall be furnished in Company's name by the Customer without cost to Company and in reasonable time to meet proposed service requirements. All easements and right-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to the Company. Any cost incurred to modify the Company's standard easement policy shall be borne by the customer.

5.5 Load Characteristics - Customer shall exercise reasonable care to assure that the electrical characteristics of its load, such as unusual short interval fluctuations in demand, shall not be such as to result in impairment of service to other customers or interference with operation of telephone, television or other communication facilities.

5.6 Load Fluctuations - Cooperative may, at its option, require that all motors 50 HP and larger be equipped with reduced voltage starting equipment or such other control devices as will avoid unnecessary voltage surges on Cooperative's system.

Motors designed for full voltage "across the line" starting may, at Cooperative's option, be permitted to operate from Cooperative's system if study by Cooperative indicates that the operation of such motors will not be detrimental to service furnished other consumers. Advanced written permission by Cooperative will be required for all "across the line" motor installations.

6. METERING AND METERING EQUIPMENT

6.1 Customer Equipment - Customer shall install and maintain all wiring and equipment beyond the point of delivery. Except for Company's meters and special equipment, Customer's entire installation must conform to all applicable construction standards and safety codes, and if an inspection or permit is required by law or by Company, the same must be furnished by Customer.

6.1.1 Customer shall provide in accordance with Company's current service standards, at no expense to Company, and close to the point of delivery, a sufficient and suitable space acceptable to Company's representative for the installation of Company's metering equipment.

6.1.2 Customer shall provide and maintain a clear and unobstructed work space that extends a minimum radius of three (3) feet from the face of the electrical entrance section, and a clear and unobstructed walkway to the meter location of a minimum width of three feet. The electric entrance section work space shall have a level floor surface and a height minimum of 6 feet 6 inches to any overhead obstruction.

6.1.3 Customer shall, at his own expense, relocate meter or meters to a new and approved location whenever the existing meter or meters become inaccessible or work space cannot be maintained.

TERMS AND CONDITIONS

6.2 Service Connections - Company will not install and maintain any lines and equipment on Customer's side of the point of delivery except its meter. For the mutual protection of the Customer and Company, only authorized employees of Company are permitted to make and energize the connection between the Company's service wire and Customer's service entrance conductors. Such employees carry credentials which they will show upon request.

6.3 Measuring Customer Use - All the energy sold to the Customer will be measured by a commercially acceptable measuring device owned and maintained by the Company, except where it is impractical to meter loads such as street lighting, security lighting, or special installations in which case the consumption may be calculated.

6.3.1 The readings of Company's meters will be conclusive as to the amount of electric power supplied to Customer unless, there is evidence of meter tampering or energy diversion, or unless a test reveals Company's meter is in error by more than plus or minus two percent (2%).

6.3.2 If there is evidence of meter tampering or energy diversion, Customer will be billed for the estimated energy consumption that would have been registered had all energy usage been properly metered. If meter tampering is established, a meter tampering fee of \$300 shall be assessed. Company will prosecute to the fullest level if it is determined that the customer has tampered with the meter.

6.3.3 If any meter after testing is found to be more than two percent (2%) in error, either fast or slow, proper correction shall be made of previous readings and an adjusted bill shall be rendered per 4.1.4. Customer will be billed for the estimated energy consumption that would have been registered had the meter been operating properly.

6.3.4 Company shall, at the request of Customer, reread Customer's meter within ten (10) working days after such request by Customer. The cost of such rereads, which is (twenty five) \$25, may be charged to Customer, provided the original reading was not in error.

6.4 Meter Testing

6.4.1 Company shall test its meters regularly in accordance with a meter testing and maintenance program.

6.4.2 Company will individually test a meter upon Customer's request. If meter is found to be within the two percent (2%) limit, Company may charge customer \$50.00 for the cost of the meter test. The results of the test will be furnished to the Customer within a reasonable time after the test.

6.4.3 Customer shall have the right to observe any individual meter test he has requested, or to have present an expert or other representative appointed by him.

6.5 Master Metering

6.5.1 Resale of Electricity - Customer shall not resell electricity from the Company to any person except,

- i). where energy is purchased at rates specifically applicable to resale service, or
- ii). where the charge to the tenants is absorbed in the rental for the premises or space occupied, or
- iii). where the customer is owner, lessee or operator of a multi-family housing or similar facility, and submeters and resells electricity to tenants at the same rates and charges that the Company would charge for the service if supplied by it directly, or
- iv). qualifies for submeter resale under the criteria identified in Section 6.5.4.

6.5.2 Mobile Home Parks - Company shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the Company.

TERMS AND CONDITIONS

6.5.3 Residential - Apartment Complexes - Condominiums and Other Multiunit Residential Buildings - Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered.

6.5.4 RV Parks, Marinas, Small Craft Harbors, and Similar Type Service - Master metering will be allowed at RV parks, marinas, small craft harbors and similar type of services. The master meter Customer may submeter individual spaces, slips or berths. An "extended stay" or permanent residential, commercial, recreational or similar facilities shall be individually metered by the Company. Existing master metered facilities shall be exempt from these requirements, except for any new facilities that are added to the RV park, marina, small craft harbor, etc. after the effective date of these Terms and Conditions. The rates and charges to the submeter user must not exceed those that would be applied if user was purchasing electricity directly from the Company.

7. TERMINATION OF SERVICE

7.1 Customer Initiated Termination - A Customer requesting termination of electric service must provide the Company with at least two working days notice and a disconnect date. The Customer shall remain responsible for all energy use until two working days after the disconnect notice or the requested disconnect date, whichever is later.

7.2 Company Initiated Terminations

7.2.1 The Company may without liability for injury or damage disconnect service to any Customer for any of the reasons stated below, in accordance with the termination proceedings established herein.

- a). Existence of obvious hazard to the health and safety of persons or property.
- b). Customer has fraudulently obtained or is the beneficiary of any fraudulent practice in obtaining electrical service.
- c). Company has evidence of tampering with Company equipment or theft of Company equipment or electricity has occurred.
- d). When the Customer has vacated the premises.
- e). In the event the Customer uses electricity detrimental to the service of other customers.
- f). Customer violation of any Company rate schedules.
- g). Failure of Customer to pay a delinquent bill for service.
- h). Failure of Customer to meet or maintain deposit requirements.
- i). Failure of Customer to provide reasonable access to Company's equipment and property.
- j). Failure of prior customer to pay a delinquent bill for service where the prior customer continues to reside on premises.
- k). When necessary for Company to comply with an order of any Governmental agency having such jurisdiction.
- l). Company has evidence of unauthorized resale or use of electric services.

7.2 Residential - Apartment Complexes - Condominiums and Other Multiunit Residential Buildings

7.2.2 The Company requires and will provide, at developer's expense, remote service switches for remote disconnecting capability for new construction apartment complexes and other multi-unit residential buildings with multi-gang meterbases.

7.3 Residential Terminations

7.3.1 During the months of December, January, and February, the Company shall not terminate heating service to a residential customer for nonpayment who is eligible to receive credits established under the energy subsidy program of 5117.11 of the Ohio Revised Code.

7.3.2 When the termination of service would be especially dangerous to health, as determined by the Public Utilities Commission, or make the operation of necessary medical or life-supporting equipment impossible or impractical and the customer establishes that he/she is unable to pay for such service in accordance with the utilities billing except, under an extended payment plan, service cannot be terminated until the termination procedure in 7.5 has been complied with.

TERMS AND CONDITIONS

7.3.3 From the fifteenth (15) day of November through the fifteenth (15th) day of the following April, the Company may terminate residential service for nonpayment if the account is more than thirty (30) days in arrears. Service may be terminated or limited in various ways, including but not limited to installing remote disconnect switches, metered disconnect sleeves, service load limiting devices, or by disconnection of the service at the transformer or secondary conductors.

- a). At the time the Company provides notice of termination the occupant of the premises is notified where to obtain State, Federal or local aid for the payment of utility bills and for home weatherization.
- b). Makes prior contact with the Customer by personal contact, telephone or hand delivered written notice.
- c). Informs the Customer of the right to enter into a payment plan for payment of the unpaid balance.

7.3.4 In addition to the provisions set forth in 7.4.1 the Company shall not terminate electric service to any residential premise between December and the following March for nonpayment of electric service until the following have been attempted.

7.3.5 The Cooperative will not disconnect electric service to the residential premises of any residential consumer who is deployed on active duty for nonpayment for electricity provided to the residential premises, other than as may be permitted by law.

7.4 Termination Procedures

7.4.1 The following general provisions apply to the termination of service to all residential and non-residential Customers.

- a). Fifteen day advance written notice of intent to terminate for nonpayment, which can be included or be a part of monthly billing notice.
- b). Five day advance written notice of intent to terminate for reasons other than nonpayment, which can be included or be a part of monthly billing notice.
- c). Notice shall state reason for termination.
- d). Notice shall advise the Customer of his right to dispute the reasons for such termination.
- e). Notice shall be considered given to the Customer when a copy thereof is delivered to the service location or posted first class in the United States mail, addressed to the Customer's last known address.
- f). Service may be terminated on or after the day specified in the notice without giving further notices, if the violation has not been satisfied
- g). Customer shall not disconnect or terminate their own electric service for any reason.
- h). The Company shall have the right (but not the obligation) to remove any and all of its property.
- i). Where the occupant of a residential premises is a tenant whose landlord is responsible for payment of the service provided by the Company, the Company will give the tenant five (5) days notice of its intent to discontinue service to residence.
- j). All terminations made on a day preceding a day that all services necessary for the Company to perform reconnection are not regularly performed shall be made before 12:30 p.m.

7.5 Residential Service To Ill, Elderly or Handicapped Customers Or Those With Dangerous Health Conditions or On Necessary Medical or Life Support Systems.

7.5.1 In addition to the provisions set forth in 7.4.1., service to residential customers that are ill, elderly or handicapped who do not have the ability to pay will not be terminated until all of the following have been attempted.

- a). The Customer has been made aware of the availability of funds from various governmental and social assistance agencies which the Company is aware of.
- b). Company has made a diligent effort to notify third party previously designated by Customer.
- c). Company has attempted to make satisfactory payment arrangements with Customer and/or previously designated third party.

TERMS AND CONDITIONS

7.5.2 In addition to the provisions set forth in 7.4.1 residential service shall not be terminated where the Customer has an inability to pay and has established through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the Customer's or a permanent resident residing on the Customer's premises health, or where life support equipment used in the home is dependent upon electric service for operation.

7.5.3 A Customer using the provisions of 7.5.2 shall be required to enter into a deferred payment agreement with the Company within ten (10) days after the scheduled termination date. If the Customer refuses to enter into such an agreement service may be terminated with thirty (30) days notice.

7.6 Company Equipment

7.6.1 The Company shall have the right, but not the obligation, to remove any and all of its property installed on the customer's premises upon termination of service.

7.6.2 The Company, at its discretion, may install at the customer's service location a remote disconnect switch or any electronic service control equipment any time the Company has to travel to the customer's service location to terminate service.

8. REMOVAL OF FACILITIES - Upon the termination of service, Company may without liability for injury or damage, dismantle and remove its facilities installed for the purpose of supplying service to the Customer, and Company shall be under no further obligation to serve Customer.

9. SUCCESSORS AND ASSIGNS - Agreements for service shall be binding upon and for the benefit of the successors and assigns of Customer and Company, but no assignments by Customer shall be effective until Customer's assignee agrees in writing to be bound and until such assignment is accepted in writing by the Company.

10. WARRANTY - There are no understandings, agreements, representations or warranties, expressed or implied (including warranties regarding merchantability or fitness for a particular purpose), not specified herein concerning the sale and delivery of electricity by the Company to the Customer. These Terms and Conditions state the entire obligation of the Company in connection with such sales and deliveries.



Please check our Member Handbook companion piece to Terms and Regulations. In it, you will find all the benefits of becoming a Hancock-Wood Electric cooperative Member? Call us for one today at 800-445-4840.