

in a sealed envelope bearing his name, addressed to the Secretary. When such ballot so enclosed is received by mail from any absent member it shall be accepted and counted as a vote for directors by ballot of such absent member at such meeting. The members may, at any meeting at which a director, or directors, shall be removed as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. If a husband and wife hold a joint membership and are absent from any such meeting they may vote by mail for directors by jointly marking and enclosing the ballot hereinabove provided for. Notwithstanding anything in this Section contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors.

Section 4. Vacancies. Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the board of directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve the unexpired portion of the term of the member whose place such directors are elected to fill and until their successor shall have been elected and shall have qualified.

Section 5. Compensation. Directors as such shall not receive any salary for their services, but by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors, and attendance at meetings of the Oregon State Rural Electrification Association, Regional and National Rural Electric Cooperative Association meetings and attendance at such other meetings as protect and advance Rural Electrification. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative unless such compensation shall be specifically authorized by a vote of the members.

Section 6. Rules and Regulations. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of association of the Cooperative, or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 7. Accounting System and reports. The board of directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the administrator of the Rural Utilities Service of the United States. The financial records of the Cooperative shall be examined by the board of directors at regular meetings of the Board of Directors. The board of directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of the year. Such audit reports shall be available to the members at the following annual meeting.

Section 8. Change in Rates. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America 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 becomes effective.

Section 9. Term of Office. (a) The term of office of each Director shall be three years, commencing upon adjournment of the membership meeting at which elected and terminating upon adjournment of the membership meeting at which the successor is duly elected.

(b) No Director shall serve more than six consecutive terms. This requirement may be waived by the members if a Director is serving as a Director for State, Regional or National Rural Electric Association.

(c) A director who is absent three (3) consecutive meetings without medical authorization shall be excused from service on the board.

(d) Each director shall be required to annually attend a cooperative sponsored educational meeting for board training.

ARTICLE IV

MEETING OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the board of directors shall be held without notice other than this bylaw, immediately after the annual meeting of the members. A regular meeting of the board of directors shall be held monthly at such time and place in Wasco Electric Cooperative Inc.'s service area (Wasco, Sherman, Jefferson, Wheeler, or Gilliam Counties) as the board of directors may provide by resolution. Such regular monthly meet-