

## **SECTION 2. Mortgage or Encumbrance**

In accordance with these Bylaws and applicable law, the Board of the Cooperative, without authorization by the Members may authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated. This action applies as well to 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 financing sources within the United States.

## **SECTION 3. Merger or Consolidation with a Cooperative**

The Cooperative may merge or consolidate with any one or more cooperatives by complying with the provisions of Montana law (MCA 35-18-401 or 35-18-402) which includes the following:

- A. The proposal for merger or consolidation and the proposed articles of merger or articles of consolidation shall be approved by the Board of Trustees of the Cooperative.
- B. The proposal for merger or consolidation and the proposed articles of merger or articles of consolidation shall be submitted to a vote of the Members of the Cooperative at an Annual or Special Meeting of the Members. The notice for such meeting shall set forth the full particulars of the proposed merger or consolidation including proposed articles of merger or articles of consolidation.
- C. The proposal for merger or consolidation and the proposed articles of merger or articles of consolidation shall be approved by two-thirds (2/3) of the Members voting at such meeting or by mail.

## **ARTICLE IX SEAL**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words “Corporate Seal of The State of Montana.”

## **ARTICLE X FINANCIAL TRANSACTIONS**

### **SECTION 1. Fiduciary Responsibility**

The following persons are Fiduciaries of Beartooth Electric Cooperative: 1) Board Trustees, 2) committee members, and 3) employees who, in addition to fiduciary responsibility defined in these Bylaws, have responsibilities under Montana laws, Cooperative policies, job descriptions, and/or employment contracts.

Every Fiduciary is subject to the provisions of these Bylaws and shall discharge his/her duties solely in good faith and solely in the best interests of the Cooperative and its Members for the exclusive purpose of providing electric energy service. Fiduciaries may not profit from their position with the Cooperative, excluding wages, benefits, and remunerations paid by the Cooperative pursuant to Board approval.

In addition to complying with applicable Board policies, Montana law, and employment contracts, every Fiduciary shall exercise all skill, care, prudence, and due diligence at his/her disposal when acting on behalf of the Cooperative. All actions of a Fiduciary shall be that of a prudent person, familiar with such matters and acting in a similar capacity under the circumstances then prevailing under these Bylaws.

Failure to comply with the duties and responsibilities of a Fiduciary shall be grounds for removal from his/her position.

## **SECTION 2. Contracts and Obligations**

In accordance with Board policies and these Bylaws, 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 of and on behalf of the Cooperative.

## **SECTION 3. Checks, Drafts, and Financial Documents**

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 and countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative as established by policy which shall be adopted by the Board.

## **SECTION 4. Deposits**

All funds except petty cash of the Cooperative shall be deposited to the credit of the Cooperative in such financial institutions as the Board selects.

## **SECTION 5. Change in Rates**

- A. Notice shall be given to Members at least thirty (30) days prior to a vote by the Board to approve any change in Beartooth Electric Cooperative's energy rates.
- B. Notice shall be given to the Wyoming Public Service Commission at least thirty (30) days prior to a vote by the Board to approve any change in Beartooth Electric Cooperative's energy rates.
- C. Notice shall be given to the United States Department of Agriculture, Rural Utilities Service (RUS) thirty (30) days prior to any proposed change in Beartooth Electric Cooperative's general rate structure as required by the agency.

## **SECTION 6. Fiscal Year**

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

## **SECTION 7. Accounting System, Audit and Reports**

The Board shall be responsible to establish and maintain a complete accounting system subject to applicable laws and rules and regulations of any regulatory body and consistent with RUS requirements. An audit of the books and records and other relevant business documents of the Cooperative shall be conducted each year by an independent public accounting firm hired by the Board. A report of such audit shall be submitted to the Members at the following Annual Meeting.

## **ARTICLE XI AMENDMENTS**

These Bylaws may be altered, amended or repealed by the Members at any regular or special meeting, provided the notice of such meeting contains a copy of the proposed alteration, amendment, or repeal.

The above and foregoing Bylaws were duly and regularly adopted at a regular Meeting of the Membership of BEARTOOTH ELECTRIC COOPERATIVE, INC., upon due notice being given to the Members and these Bylaws supersede all and any prior adopted Bylaws which are hereby and hereof duly amended through September 28, 2013.