

ARTICLE IV
MEETINGS 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 and at the same place as the annual meeting of the members. Regular meetings of the Board of Directors shall be held monthly at such time and place within the service area of the Cooperative and the State of Idaho, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than a resolution fixing the time and place thereof, provided that a copy of such resolution shall be delivered to any director not present when it is adopted at least five days prior to the first regular meeting held pursuant thereto.

SECTION 2. SPECIAL MEETINGS.

Special meetings or teleconference meetings of the Board of Directors may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place within the service area of the Cooperative and the State of Idaho for the holding of the meeting.

SECTION 3. NOTICE OF DIRECTORS' MEETINGS.

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than four (4) days previous thereto either personally; or electronically, to the most recent email address on the records of the Cooperative or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

SECTION 4. WAIVER OF NOTICE.

Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 5. QUORUM.

A majority of the Board of Directors shall constitute a quorum for the transaction of business of the Cooperative at any meeting of the Board of Directors, provided that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

SECTION 6. MANNER OF ACTING.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 7. ATTENDANCE AT MEETINGS

Unless otherwise excused by the President for just and reasonable cause, Directors shall attend no less than eighty-five percent (85%) of all director meetings occurring in each calendar year. If a director attends less than eighty-five percent (85%) of the director meetings held in any calendar year and such absences were unexcused, then at the next regular Board of Directors meeting following the close of the calendar year, it shall be deemed that such director shall have submitted his or her resignation from the Board of Directors pursuant to Article III, Section 5.

SECTION 8. DIRECTORS STANDARD OF CONDUCT

A director shall discharge his or her duties as a director of the Cooperative in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the cooperative's best interest.

SECTION 9. DIRECTORS CONFLICT OF INTEREST

A director Conflict of Interest is a transaction with the Cooperative in which a director of the Cooperative has a direct interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided below.

- A. A conflict of interest transaction may be approved if:
 - 1. The material facts of the transaction and the director's interest were disclosed or known to the board of directors or committee of the board and the board or committee of the board authorized, approved, or ratified the transaction; or
 - 2. The material facts of the transaction and the director's interest were disclosed or known to the members and they authorized, approved, or ratified the transaction.
- B. A director has an indirect interest in a transaction if:
 - 1. Another entity in which the director has a material interest or in which the director is a general partner to the transaction; or
 - 2. Another entity of which the director is a director, officer or trustee is a party to the transaction.
- C. For purposes of section A. above, a conflict of interest transaction is authorized, approved or ratified, if it receives the affirmative vote of a majority of directors on the board or on the committee, who have no direct or indirect interest in the transaction. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not

effect the validity of any action taken under section A.1) if the transaction is otherwise approved as provided in section A.

- D. For purposes of section A.2), a conflict of interest transaction is authorized, approved or ratified by the members if it receives a majority of the votes entitled to be counted under this section. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or under the control of an entity described in section B.1), may not be counted in a vote of members to determine whether to authorize, approve or ratify a conflict of interest transaction under section A.2). The vote of these members, however, is counted in determining whether the transaction is approved under other sections of the Idaho Non Profit Corporation Act. A majority of the voting power, that are entitled to be counted in a vote on the transaction under this section constitutes a quorum for the purpose of taking action under this section.