

**AMENDED AND RESTATED
CODE OF BY-LAWS
OF
VALLEY RURAL UTILITY COMPANY**

ARTICLE I

Identification

Section 1.01. Name. The name of the Corporation is Valley Rural Utility Company (hereinafter referred to as the “Corporation”).

Section 1.02. Registered Agent and Registered Office. The post office address of the registered office of the Corporation is 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, Indiana 46204; and the name of the Registered Agent of the Corporation at that address is L. Parvin Price. The location of the registered office of the Corporation or the designation of its Registered Agent, or both, may be changed at any time or from time to time when authorized by the Board of Directors, by filing a notice of change with the Secretary of State of the State of Indiana on or before the day any such change is to take effect, or as soon as possible after the death of the Registered Agent or other unforeseen termination of his agency.

Section 1.03. Calendar Year. The fiscal year of the Corporation shall be the calendar year.

ARTICLE II

Membership

Section 2.01. Classes. The Corporation shall be a mutual benefit corporation. There shall be one class of members of the Corporation (“Members”). The membership shall be composed of individuals who own a lot or lots in Hidden Valley Lakes subdivision as described on Exhibit A. Any transfer of the lot in said subdivision shall include the transfer of membership in the Corporation. To the extent any profit or loss, as determined by the books and records declared by the Board of Directors, exist at the time of transfer, such profit or loss shall not be forfeited.

Section 2.02. Rights, Preferences, Limitations and Restrictions of Classes. All Members shall have the same rights, privileges, duties, liabilities, limitations and restrictions as the other Members of such Class. All Members shall abide by the Articles of Incorporation, these By-Laws, and the rules and regulations adopted by the Board of Directors of the Corporation.

ARTICLE III

Meetings of Corporation

Section 3.01. Annual Meeting. The annual meeting of the Members of the Corporation shall be held in the month of June of each calendar year, on a day to be determined by the Board of Directors, for such purposes as may be required by the Articles of Incorporation or these By-Laws.

Section 3.02. Special Meetings. A special meeting of the Members of the Corporation may be called by resolution of the Board of Directors or upon written petition of Members whose right to vote is not then suspended under Section 3.06(a) and who are entitled to cast no less than 10% of the total votes entitled to be cast by all Members. The Corporation must verify that the voting rights of Members signing such a petition are not suspended under Section 3.06(a). The petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 3.03. Notice and Place of Meeting. All meetings of the Members of the Corporation shall be held at any suitable place in Dearborn County, Indiana. Written notice stating the date, time and place of any meeting, and in the case of a special meeting or when otherwise required by law, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Corporation to each Member of record at such address as appears upon the records of the Corporation.

Section 3.04. Waiver of Notice. Notice of any meeting may be waived in writing by any Member, before or after the date and time of the meeting, if the waiver sets forth in reasonable detail the time and place of the meeting and the purposes thereof. A Member's attendance at any meeting in person, or by proxy, (1) waives objection to lack of notice or defective notice of the meeting, unless the Member objects to holding the meeting or transacting business at the meeting, and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the Member objects to considering the matter when the matter is presented.

Section 3.05. Record Date. The Board of Directors may fix a time, not exceeding seventy (70) days preceding the date of any meeting of Members or the last date a written ballot must be received by the Corporation to be counted, as applicable, as a record date for the determination of the Members entitled to notice of, and to vote at, such meeting or entitled to receive and cast a written ballot, notwithstanding any transfer of a lot after the record date so fixed. If the Board of Directors fails to fix a record date for determination of the Members entitled to notice of, and to vote at, a meeting or entitled to receive and cast a written ballot, the record date shall be the twentieth (20th) day preceding the date of the meeting of Members or the last date a ballot must be received by the Corporation to be counted, as applicable.

Section 3.06. Voting.

(a) Voting Rights. All Members, as described herein, shall have the same and equal voting rights on all matters submitted to any vote at any annual or special meeting of the Members. If, however, a Member is more than sixty (60) days in arrears for any rates, charges or fees owed to the Corporation, then said Member's voting rights shall be suspended until the Member pays in full.

(b) Voting by Corporation, Partnership, Limited Liability Company or Trust. When a corporation, partnership, limited liability company or trust is a Member, (i) the agent or other representative of the corporation duly authorized by the board of directors of such corporation shall cast the vote to which the corporation is entitled, (ii) the agent or other representative of the partnership duly appointed by the partners thereof shall cast the vote to which the partnership is entitled, (iii) the manager, member, agent or other representative of the limited liability company duly authorized by or in accordance with the governing documents of the limited liability company shall cast the vote to which the limited liability company is entitled, and (iv) the trustee may cast all votes on behalf of the trust.

(c) Proxy Voting. Unless the Board of Directors specifically adopts a resolution to the effect that proxy voting will be allowed as to a particular meeting or matter to be voted upon at a meeting, Members shall not vote by proxy. If and to the extent that the Board of Directors permits proxy voting, (i) any such votes must be cast using a Board-approved form of proxy, and (ii) a proxy must be signed and delivered to the main office of the Corporation either by United States mail or in person by the close of business on the Friday prior to the meeting at which it is to be first used unless the Board establishes a different time and place for delivery or delegates the authority to establish a later time and different place for delivery to an officer of the Corporation.

Section 3.07. Quorum.

(a) Quorum. At any meeting of the Members, pursuant to Section 3.07(b), representation in person or by Board-approved proxy of Members whose right to vote is not then suspended under Section 3.06(a) and who hold not less than thirty percent (30%) of the votes of all Members shall constitute a quorum. For any matter submitted to the Members by written ballot pursuant to Section 3.08, the number of written ballots validly completed, casting a vote and properly returned to the Corporation by the deadline stated in the ballot by Members whose voting rights are not suspended under Section 3.06(a) must equal or exceed thirty percent (30%) of the votes of all Members in order to comply with the quorum requirements of this Section. The Corporation must verify that sufficient Members whose voting rights are not suspended under Section 3.06(a) are present at the meeting, or have properly completed and returned written ballots, in order to constitute a quorum.

(b) Annual Meeting Quorum. At any meeting of the Members, representation in person or by Board-approved proxy of Members whose right to vote is not then suspended under Section 3.06(a) and who hold not less than ten percent (10%) of the votes of all Members shall constitute a quorum. For any matter submitted to the Members by written ballot pursuant to Section 3.08, the number of written ballots validly completed, casting a vote and properly returned to the Corporation by the deadline stated in the ballot by Members whose voting rights are not suspended under Section 3.06(a) must equal or exceed ten percent (10%) of the votes of all Members in order to comply with the quorum requirements of this Section. The Corporation must verify that sufficient

Members whose voting rights are not suspended under Section 3.06(a) are present at the meeting, or have properly completed and returned written ballots, in order to constitute a quorum.

Section 3.08. Voting by Written Ballot.

(a) Ballot Voting Requirement. Unless the Board of Directors specifically adopts a resolution to the effect that a matter to be submitted to the Members will be submitted to a vote at an annual or special meeting of Members, all matters to be submitted to the Members for a vote, including the election of Directors, shall be submitted in the form of a written ballot. In the case of the annual election of Directors or any other matter which would otherwise be submitted to a vote of Members at an annual meeting, the last date a written ballot must be received by the Corporation to be counted shall be the Friday preceding the date established by the Board of Directors for the annual meeting, unless the Board of Directors establishes a different deadline. In the case of any matter which would otherwise be submitted to a vote of Members at a special meeting, the Board of Directors shall establish the last date a ballot must be received by the Corporation to be counted, which may be prior to, on or after the date of the special meeting.

(b) Form of Written Ballot. The form of a written ballot to be submitted to Members shall be determined by the Board of Directors. Each written ballot shall contain the following:

- (i) A statement of each proposed action, and if the action is the election of Directors, a listing of each Director nominated for election;
- (ii) A space for the Member to mark a vote for or against each proposal or Director nominee;
- (iii) If applicable, a statement that each Director holding over in office as a result of the failure of sufficient Valid Ballots to be returned pursuant to Section 3.08(c) in a prior election is nominated for election for the unexpired portion of the term to which he or she would have been elected in the prior election, and a space for the Member to vote for or against all such nominees;
- (iv) A statement of the number of signed ballots that must be properly returned in order to satisfy the quorum requirements in Section 3.07;
- (v) A statement of the percentage of approvals necessary to approve each matter other than the election of Directors; and
- (vi) A statement of the time by which the ballot must be received by the Corporation to be counted, and the instructions and requirements for completion and returning of the ballot in order for it to be counted.

(c) Approval of Matters Submitted by Written Ballot. A “Valid Ballot” is a ballot in proper form, validly completed and properly returned to the Corporation by the deadline stated in the ballot by a Member whose voting rights are not suspended under Section 3.06(a). Approval of a matter submitted to the Members by written ballot, or the election of Director nominees by written ballot, is valid only when (i) the number of votes cast by Valid Ballots equals or exceeds the quorum that would be required by Section 3.07 to be present at a meeting authorizing the action or electing the Director nominees, and (ii) the percentage of Valid Ballots casting a vote in favor of the matter or Director nominees equals or exceeds the percentage of votes that would be required to approve the matter or elect the Director nominees at a meeting.

Section 3.09. Member Proposals. Nominations for the election of Directors and proposals for any new business to be considered by the Members in connection with an annual meeting of Members may be made by the Board of Directors of the Corporation or by any Member entitled to vote on the matter proposed or the Director to be elected. In order for a Member to make any such nomination or proposal, the Member shall give notice of the nomination or proposal to the Corporation, delivered in person to the Corporation’s principal office or mailed by first class United States mail, postage prepaid. The notice must be received by the Secretary of the Corporation not later than April 20 of the year in which the annual meeting is to be held. Any notice of a nomination or proposal pursuant to this Section shall include or be accompanied by a written statement which shall set forth (i) as to each person whom the Member proposes to nominate for election or reelection as a Director, the person’s name and address, a written consent of the person proposed to be nominated to being nominated and serving as a Director if elected and a written certification of the person proposed to be nominated that such person is a Member and is not more than sixty (60) days in arrears for any rates, charges or fees owed to the Corporation, (ii) as to any other business that the Member proposes to submit to the Members for consideration, a concise description of the business, the reasons for conducting the business and any material interest in such business of such Member or any family member of such Member, and (iii) as to each Member giving the notice, the name, address and lot number(s) of the Member and a written certification of the Member that such person is a Member and is not more than sixty (60) days in arrears for any rates, charges or fees owed to the Corporation. Unless expressly provided to the contrary in such a Member notice, any person nominated to be a Director will be presumed to be nominated for a three-year term.

Section 3.10. Conduct of Meetings. The presiding officer of the meeting shall be the President of the Corporation or, in his absence, any person appointed by the President of the Corporation. The presiding officer shall call the meeting to order at the duly designated time. The order of business and all other matters of procedure at every meeting of the Members shall be determined by the presiding officer.

Section 3.11. Action Without a Meeting. Any action which may be taken at any meeting of the Members of the Corporation may be taken without a meeting if, prior to such action, written consents thereto are signed by eighty percent (80%) of the Members of the Corporation entitled to vote thereon and such written consents are filed with the minutes of the Corporation.

ARTICLE IV

Board of Directors

Section 4.01. Number. The number of Directors of the Corporation shall be seven (7). The Directors shall be assigned to classes, as nearly equal in size as possible.

Section 4.02. Election and Vacancies.

(a) Terms and Election. The terms of the Directors shall be staggered, so that one class of Directors is elected each year. Unless the Board of Directors determines by resolution pursuant to Section 3.08(a) that an election shall be held at an annual meeting, Directors shall be elected by written ballot in connection with each annual meeting of the Corporation as provided in Section 3.08 hereof. Directors shall hold office for the term of three (3) years or until their successors have been duly elected and qualified.

(b) Eligibility. A Director must be a Member of the Corporation. A nominee is not eligible for election as a Director if his or her voting rights as a Member are suspended under Section 3.06 or if he or she has any past due debt to the Corporation.

(c) Automatic Election. If the number of nominees for available Director positions in a particular year is less than or equal to the number of available Director positions as of the later of the record date for the applicable election or the deadline for Members to nominate Director candidates under Section 3.09, the Board of Directors may in its discretion deem the nominees automatically elected for a three year term at the annual meeting for such year and, in such case, no vote will be taken for election of Directors by written ballot or otherwise. For purposes, of this provision, an available Director position shall be presumed to exist for any Director holding over under the last sentence of Section 3.08(c) and such holdover Director shall be presumed to be a nominee for such position unless the Board of Directors determines otherwise.

(d) Vacancies. Any vacancy or vacancies occurring in the Board of Directors shall be filled by majority vote of the Board unless the Board by majority vote decides to allow the Members to fill a vacancy created by the removal of a Director under Section 4.03. Any Director so elected or appointed shall hold office for the unexpired term of the vacancy. Notwithstanding the preceding sentence, in the case of a Director so elected or appointed to fill the position of a Director who was holding over pursuant to the last sentence of Section 4.02(a) after expiration of his or her term because he or she was not re-elected due to lack of sufficient Valid Ballots under Section 3.08(c), such Director so elected or appointed shall hold office for the unexpired portion of the term to which the Director creating the vacancy was nominated and would have been elected had sufficient Valid Ballots been returned under Section 3.08(c).

Section 4.03. Removal of Directors.

(a) Removal by Members. Any Director of the Corporation may be removed with or without cause by a majority vote of the Members, at a special meeting of the Members of the

Corporation as provided in Section 3.02. If so determined by the Board of Directors under Section 4.02, the successor to a removed Director may be elected at the same meeting, so long as a quorum is still present, by a majority of Members present and entitled to vote. Any Director so elected shall hold office for the unexpired term of the vacancy and until a successor is duly elected and qualified.

(b) Removal by Directors. Any Director of the Corporation may also be removed for cause by a majority vote of the remaining Directors of the Corporation, at a meeting of the Board of Directors of the Corporation as provided in Section 4.08. "Cause" for this purpose means (i) the Director has been convicted of a felony or of a misdemeanor involving fraud or dishonest conduct; or (ii) the Director is no longer a Member of the Corporation; or (iii) the Director's voting rights as a Member have been suspended under Section 3.06; or (iv) the Director has three (3) or more consecutive unexcused absences from regularly-scheduled Board meetings; or (v) the Director has purported to represent the Corporation to a third party without authorization as an officer or otherwise under these By-Laws or by resolution of the Board of Directors; or (vi) the Director has committed a gross abuse of authority or discretion involving the Corporation; or (vii) the Director has engaged in disruptive behavior with a materially adverse effect on the ability of the Corporation to hold effective meetings either of the Board of Directors or of Members. The successor to a removed Director may be appointed at the same meeting. Any Director so appointed shall hold office for the unexpired term of the vacancy.

Section 4.04. Powers and Duties of the Board of Directors. The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall be solely responsible for initiating any changes in rates, charges or fees, and shall have sole authority to represent the Corporation in matters before the Indiana Utility Regulatory Commission or any other regulatory agency. Without limiting the generality of the foregoing, the powers and duties of the Board of Directors shall include, but not be limited to any action in furtherance of the purposes of the Corporation as set forth in its Articles of Incorporation.

Section 4.05. Compensation. No Director shall receive any compensation for his services as such Director. A Director may, however, be reimbursed for all reasonable, out-of-pocket expenses incurred while acting in his or her capacity as Director.

Section 4.06. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Members at the place where such meeting of the Members was held. This meeting shall be held for the purpose of electing or re-electing officers of the Corporation and consideration of any other business that may be brought before the meeting. No notice shall be required for the holding of this annual meeting.

Section 4.07. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and such place, either inside or outside of the State of Indiana, as shall be determined from time to time by a majority of the Directors. The Secretary, or a designated representative, shall give notice of the regular meetings of the Board to each Director personally, via telephone, United States mail, email or fax at least five (5) days prior to the date of such meeting. Any Director may participate in any meeting by conduct of the meeting through the use of any means of

communication by which all Directors may participate and simultaneously hear each other during the meeting.

Section 4.08. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) members of the Board of Directors. Persons calling such meeting shall give written notice thereof to the Secretary. The Secretary, or a designated representative, shall give notice to all members of the Board of Directors either personally, via telephone, United States mail, e-mail or fax at least twenty-four (24) hours prior to the date and time of such special meeting. Such meeting shall be held at such place and at such time as shall be designated in the notice.

Section 4.09. Waiver of Notice. Any Director may in writing waive notice of any meeting of the Board of Directors. The presence of any Director at any meeting shall as to such Director constitute waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.10. Quorum. A majority of the entire Board of Directors shall be necessary to constitute a quorum for the transaction of any business and the action of a majority of the Directors present at any meeting at which a quorum is present shall be the decision of the Board of Directors unless the decision of a greater number is required by law, the Articles of Incorporation, or these By-Laws.

Section 4.11. Bond. The Board of Directors may require the Treasurer and such other officers as the Board deems necessary to give bond, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as deemed appropriate by the Board of Directors. If such a bond is required, the cost of the bond shall be paid for from the revenues of the Corporation.

Section 4.12. Action Without A Meeting. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if, prior to such action, written consents setting forth the action to be so taken shall be signed by all members of the Board of Directors and such written consents shall be filed with the minutes of the Corporation.

ARTICLE V

Officers

Section 5.01. Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an Assistant Treasurer or Assistant Secretary or such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and the Secretary shall not be performed by the same person.

Section 5.02. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the initial meeting of each new Board. Upon the vote of a majority of the whole Board, any officer may be removed either with or without cause, and a successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 5.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Corporation and shall preside at all meetings of the Corporation and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of the State of Indiana, including, but not limited to, the power to appoint committees from among the Members as he may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

Section 5.04. The Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be imposed upon the Vice President by the Board of Directors or the President.

Section 5.05. The Secretary. The Secretary shall attend all meetings of the Corporation and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board of Directors or the President. The Secretary shall specifically see that all notices of the Corporation or of the Board are duly given, mailed or delivered, in accordance with the provisions contained in these By-Laws.

Section 5.06. The Treasurer. The Treasurer shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Corporation and such other duties incident to the office of Treasurer. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation. The Treasurer shall cause all funds of the Corporation coming under the control of the Treasurer to be deposited immediately in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Corporation.

Section 5.07. Assistant Officers. The Board of Directors may, from time to time, designate and elect an Assistant Secretary or Assistant Treasurer who shall have such powers and duties as the officers for whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws, the Board of Directors or President may prescribe.

Section 5.08. Delegation of Authority. In case of the absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board or the President may delegate the powers or duties of such officer to any other officer or to any Director.

ARTICLE VI

Distribution of Income

The income of the Corporation shall be used solely to cover losses and expenses of the Corporation, or maintenance and improvements to the Corporation's assets. Any excess income not retained in reasonable reserves for current or future losses, expenses, maintenance, or improvements may be distributed to the Members only if allowed by, and in accordance with, the provisions of the Uniform Nonprofit Corporation Act of 1991, as Amended.

ARTICLE VII

Amendments

The power to make, alter, amend or repeal these By-Laws is vested only in the Directors of the Corporation elected by the Members in accordance with the terms of the Articles of Incorporation and these By-Laws, and such action shall be taken only at a meeting of such Directors specifically called for such purpose. The affirmative vote of a majority of all such Directors shall be necessary to effect any such changes in these By-Laws, unless otherwise provided in the Articles of Incorporation, these By-Laws or the any other law; provided, however, that no amendment may be made to these By-Laws that would conflict with or be contrary to the terms and provisions of the Articles of Incorporation.

REV. 3/22/2007

REV. 4/23/2009

842738.2

EXHIBIT A

Hidden Valley Lake Subdivision – a Planned Unit Development of 1,746 acres in Lawrenceburg and Miller Township, Dearborn County, Indiana, consisting of Sections I, II, III, IV, V, VI, VII, VIII, IX, IXA, X, XI, XII-A, XII-B, XII-C, XII-D, XII-E, XII-F, XIII, XIV, XV and XVI.