

Bylaws of HomeWorks Tri-County Electric Cooperative
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ARTICLE I – GENERAL

Section 1.1. Usage. Within these bylaws of HomeWorks Tri-County Electric Cooperative (“Cooperative”) as currently existing or as later amended (“Bylaws”), except as otherwise provided and subject to the context requiring otherwise: 1) words and phrases have their customary and ordinary meaning; 2) the singular use of a word includes the plural use and the plural use of a word includes the singular use; 3) the masculine use of a word includes the feminine and neutral uses, the feminine use of a word includes the masculine and neutral uses, and the neutral use of a word includes the masculine and feminine uses; and 4) the word ‘individual’ means a ‘natural person’ or ‘human being.’

Section 1.2. Defined Terms. These Bylaws define certain words, phrases, and terms (“Defined Terms”). In general, Defined Terms are: (1) defined in a full sentence or part of a sentence; (2) capitalized, underlined, and enclosed within quotation marks when defined; (3) enclosed within parenthesis when defined in part of a sentence; and (4) capitalized when otherwise used in these Bylaws. Except as otherwise provided in these Bylaws and subject to the context requiring otherwise, Defined Terms have the meaning specified in the appropriate Bylaw.

The following Defined Terms are defined in the Bylaw noted in parenthesis: Applicant (2.2); Articles (2.2); Board (2.2); Board Committee (8.8); Bylaws (1.1); Capital Credits (14.2); Cooperative (2.1); Cooperative Equipment (2.7); Cooperative Officer (9.1); Cooperative Purpose (2.10); Cooperative Service (2.7); Cooperative Subsidiary (7.3); Defined Terms (1.2);; Director (7.8); Director Districts (2.12); Director Nominating Committee (7.5); Director Removal Petition (7.9); Director Term (7.7); Director Written Consent (8.7); Electronic Document (20.1); Entity (2.1); Governing Documents (2.2); Law (2.2); Location (2.1); Member (2.3); Member Meeting List (6.1); Member Meeting Waiver of Notice (6.4); Member Proxy (3.6); Person (2.1); Quorum (board) (8.4); Quorum (member meetings) (3.4); Quorum (meetings of the delegates) (5.4); Reasonable Reserves (14.2); Record Date (6.1); and Special Board Meeting (8.2).

ARTICLE II - COOPERATIVE MEMBERSHIP

Section 2.1. Membership Eligibility.

1. Any individual or entity (“person”) with the capacity to enter legally binding contracts and who consumes, receives, purchases, or otherwise uses, or agrees to use, electrical power or energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by Tri-County Electric Cooperative, Inc., (“Cooperative”); or as determined by the Cooperative, any other good or service provided by the Cooperative, the income from which may be exempt from Federal Income taxation, is eligible to become and remain a Member.

2. An entity includes, but is not limited to, corporations and foreign corporations; cooperatives; business corporations and foreign business corporations; profit and non-profit unincorporated associations; business trusts, estates, partnerships, limited liability companies, trusts and two or more persons having a joint or common economic interest; United States of America and foreign

governments, or any agencies or divisions thereof; state, county, township, or any other political subdivision or body politic, or any agencies or divisions thereof (collectively “entity”).

3. No person, either individually or through an entity not considered to be legally separate from its members, owners, or participants, may hold more than one (1) cooperative membership.

4. Except as otherwise provided in these bylaws, a person may not become or remain a Member of the Cooperative if the person resides at, engages in a business at, owns, controls, or otherwise occupies a residence, office, building, premise, structure, facility, or other location, the provision of a Cooperative service to which location is the basis of membership, and which location is or was:

A. Occupied by a second person, other than a landlord, tenant, or similarly related person, who: (1) is a Member, other than a Joint Member; or (2) owes the Cooperative for a Cooperative service provided to or for the location, if the first person occupied the location when the Cooperative provided the Cooperative service; or

B. previously occupied by an entity owned or controlled by the person, which entity owes the Cooperative for a Cooperative service provided to or for the location.

Section 2.2. Membership Procedure. Unless these bylaws provide otherwise, or the Board determines otherwise, any eligible person seeking to become a Member (“applicant”) must complete the following membership procedures:

Before using, receiving, or purchasing any Cooperative service, complete a written membership application provided by the Cooperative in which the applicant agrees in writing to:

1. Comply with all applicable law and legally binding agreements regarding the Cooperative; its operation; its assets; its members and patrons; and provision, use, receipt, and purchase of Cooperative services, and any member equipment connected to Cooperative equipment; including but not limited to, all applicable legislative, executive, administrative, and judicial statutes, case law, regulations, ordinances, rulings, or orders; local, state, and federal statutes, case law, regulations, ordinances, rulings, or orders; contractual provisions legally enforceable by, or against, the Cooperative; and legally binding contracts between the Cooperative, and the applicant or Member (collectively, “law”); and

2. Further comply with the Cooperative’s Articles of Incorporation (“Articles”); these bylaws; the Cooperative’s service rules and regulations; National Electrical Code; National Electrical Safety Code; the Cooperative’s rate or price schedules; and any policy, resolution, action, rule or other amendment adopted by the Cooperative’s board of directors (“Board”) or membership, as any of these materials currently exist, or as later amended, (collectively “Governing Documents”); and,

3. Be a Member; and at prices, rates, or amounts determined by the Board, and in a manner specified by the Cooperative, pay the Cooperative for all Cooperative services used or purchased by the Member, or at or for, any location occupied or used by the Member; and reasonable dues, assessments, fees, deposits, contributions, or other amounts required by the Governing Documents, by the Board, or by law; and

4. Complete any additional or supplemental document or contract required by the Board for the Cooperative service which the applicant is seeking to use, receive, or purchase.

Unless otherwise provided in the Articles or these bylaws, or otherwise required by law, the cooperative will not release, disclose, or disseminate any personally identifiable or confidential information regarding any Member.

Section 2.3. Membership. Unless the Board determines otherwise at any time, or as provided in these bylaws, an applicant becomes a Member and consents to be a Member of the Cooperative, upon using or agreeing to use the first cooperative service; and completing the membership procedure.

The Cooperative may issue membership certificates to each Member in a manner, method, and form determined by the Board.

If the Board determines that any applicant is unable to complete the membership procedure as provided in these bylaws, or for other good cause determined by the Board, the Board may refuse the applicant membership in the Cooperative. If the Board refuses membership to any applicant, then the Cooperative shall return to the applicant any amounts paid to the Cooperative by the applicant as part of the membership procedure other than amounts paid for using, receiving, or purchasing any Cooperative service; and outstanding amounts previously owed to the Cooperative, and any associated interest or late payment charges.

Unless required by law or the Articles, unless otherwise provided in these bylaws, and unless allowed in writing by the Board, no Cooperative membership, no right or privilege associated with Cooperative membership, may be sold, purchased, assigned, or otherwise transferred.

If an individual Member, other than a Joint Member, dies without the Cooperative's knowledge, and if a close relative of the deceased Member uses a Cooperative service at the location previously occupied by the deceased Member, then, until the Cooperative learns of the Member's death or terminates the deceased Member's membership, the deceased Member's membership is transferred to the close relative.

Section 2.4. Membership Agreement. Every Member shall follow, abide by, and be legally bound to, the Governing Documents. As provided in these bylaws, the Cooperative may terminate any Member or Cooperative service for the Member's failure to follow, abide by, or be legally bound to, the Governing Documents.

By becoming a Member, each Member acknowledges that:

1. every Member is a total and integral part of the Cooperative;
2. the Cooperative's successful operation depends upon every member complying with the Governing Documents; and
3. all Members are united in an interdependent relationship.

Section 2.5. Member Classes. Based upon the Cooperative service used or to be used by a member, the Cooperative may group members into classes as may be permitted by law.

Section 2.6. Joint Membership. Joint memberships are available as defined below:

1. Any two parties, including a husband and wife, may apply for a joint membership, or if one of them is already a member, may convert such membership into a joint membership by submitting a written request, and subject to compliance with the requirements set forth in these bylaws, be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include the two parties holding a joint membership, and any provision relating to the rights and liabilities of membership shall apply equally to holders of a joint membership.

2. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

A. The presence at a meeting of either or both shall be regarded as the presence of a member;

B. The presence at a meeting of either or both shall constitute a waiver of notice of the meeting by both;

C. The presence at a meeting of either or both shall effect a revocation of any proxy executed by either or both;

D. The vote of either separately or both jointly shall constitute one joint vote, provided that if both are present but in disagreement on such vote, each shall cast only one-half (½) vote;

E. A consent, petition, waiver of notice, or other document signed by either shall bind the Joint Membership and constitute one action;

F. Notice to either shall constitute notice to both;

G. Termination of either shall terminate the joint membership;

H. Withdrawal of either shall terminate the joint membership;

I. Neither shall be permitted to have additional service connections except through their joint membership;

J. Either, but not both concurrently, shall be eligible to serve as a Director of the Cooperative, but only if both meet the qualifications required therefore;

K. Upon the death of either party of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint, provided that the estate of the deceased party shall not be released from any debts due the Cooperative;

L. Upon the legal separation, termination, or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint, provided that the other shall not be released from any debts due the Cooperative.

Section 2.7. Provision of Cooperative Services. Each member shall comply with any reasonable procedure required by the Cooperative regarding the provision of any Cooperative service to any member or person.

1. The Cooperative shall provide Cooperative services to members in a reasonable manner. The Cooperative, however, neither insures, guarantees, nor warrants that it will provide adequate,

continuous, or non-fluctuating electric power, energy, or other Cooperative services. The Cooperative is not liable for any damages, costs, or expenses, including attorney fees for legal expenses, caused by the Cooperative providing any inadequate, non-continuous, or fluctuating electric power or energy or other Cooperative service, unless the damages, costs, or expenses are caused by the Cooperative's willful misconduct. All Cooperative responsibility and liability for providing a Cooperative service terminates upon delivery of the Cooperative service to a member or other person acting for a member.

2. No member shall tamper with, alter, interfere with, damage or impair any Cooperative equipment. No member shall take, or omit, any act involving any member equipment connected to any Cooperative equipment that adversely impacts the Cooperative's ability to safely, reliably, and efficiently provide any Cooperative service. Unless otherwise determined or indicated by the Board, the Cooperative owns all Cooperative equipment. Each member shall protect all the Cooperative equipment and all member equipment connected to the Cooperative equipment, and shall install and maintain any protective device and implement and follow any protective procedure required by the Cooperative.

3. Member Equipment Connected to Cooperative Equipment. Except as otherwise provided by the Board, before member equipment is connected to Cooperative equipment, the Cooperative must approve the connection in writing. Before and while member equipment is connected to Cooperative equipment, the member:

A. shall comply with, and shall ensure that the member equipment, the connection, and any act or omission regarding the member equipment and the connection comply with the Governing Documents, including terms, conditions, requirements, and procedures required by the Cooperative regarding the member equipment and the connection;

B. shall ensure that the member equipment and the connection do not adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative service;

C. grants the Cooperative the right to inspect the member equipment and the connection to determine whether the member equipment and connection comply with the Governing Documents;

D. grants the Cooperative the right to disconnect or temporarily operate member equipment that does not comply with the Governing Documents or that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative service; and

E. shall pay the Cooperative for income not received or accrued because of the connection.

If member equipment is connected to Cooperative equipment, then: (1) the member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the member equipment; (2) the Cooperative is not liable for damage to, or for the performance of, the member equipment; (3) the Cooperative is not liable for damage to member property; (4) the Member is responsible for knowing the concerns, risks, and issues associated with operating the member equipment and connecting the member equipment to Cooperative equipment; (5) the Member is liable for damage to, and for the nonperformance of, the Cooperative equipment caused

by the member equipment or the connection; and (6) the member is liable for, and must indemnify the Cooperative against, injury or death to any person and damage to any property caused by, or resulting from, the member equipment or the connection.

4. After providing the member reasonable notice and an opportunity to comment orally or in writing, the Cooperative may suspend or terminate provision of any Cooperative services to any member, upon:

A. Determining that a member has tampered or interfered with, damaged, or impaired any product, equipment, structure, or facility furnished or used by the Cooperative to provide, monitor, measure, or maintain any Cooperative service (“Cooperative equipment”);

B. Discovering the unsafe condition of any Cooperative equipment or member equipment;

C. Discovering any imminent hazard or danger posed by any Cooperative equipment or member equipment; or

D. Determining that member equipment connected to Cooperative equipment adversely impacts the Cooperative’s ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative service;

then as provided by law, the Cooperative may suspend the member, and may suspend or terminate provision of any Cooperative services to the member, without providing the member notice or an opportunity to comment.

Section 2.8. Use of Cooperative Services. Except as otherwise provided in these bylaws, or by the Board, each member shall use, receive, or purchase Cooperative services from the Cooperative. Each member shall comply with, and abide by, any policy, program, rule, procedure, or other determination promulgated by the Board regarding the provision of Cooperative Services to the member.

1. At prices, rates, or amounts determined by the Board, and in a manner specified by the Cooperative, each Member shall pay the Cooperative for all Cooperative services used, received, or purchased by the Member; or at or for any location owned, controlled, or directly occupied by the Member; and reasonable dues, assessments, fees, deposits, contributions, periodical subscriptions, or other amounts required by law, the Governing Documents, or the Board.

2. Except as otherwise provided by the Board: (1) a Member shall pay interest, compounded periodically, and late payment fees for amounts owed, but not timely paid, to the Cooperative; (2) a Member shall pay all costs, including reasonable attorney and collection fees, required to collect or obtain payment of amounts owed, but not timely paid, to the Cooperative; (3) the Cooperative may transfer an amount owed, but not timely paid, on a Member’s account to another account of the Member; and (4) regardless of the Cooperative’s accounting procedures, the Cooperative may apply amounts paid by a Member to all of the Member’s accounts on a pro rata basis.

3. As required by law, and as determined by the Board, if a Member substantially reduces or ceases the Member’s use, receipt, or purchase of Cooperative Services, either singly or in combination; then the Cooperative may charge the Member, and the Member shall pay the Cooperative, the

reasonable costs and expenses incurred by the Cooperative in relying upon the Member's pre-reduction or pre-ceasing use, receipt, or purchase of Cooperative's Services.

4. Sale of Cooperative Service. Except as otherwise provided by the Board, a Member may not sell, lease, or otherwise transfer a Cooperative service provided by the Cooperative or a right to a Cooperative service provided by Cooperative.

Any amounts allocated from net savings and credited to the capital of a non-Member patron shall be added to the general fund of the Cooperative, and thereafter the non-Member patron shall have no further rights therein, if the non-Member does not comply with all provisions of these Bylaws concerning admission to membership within 90 days of the date of the receipt of first service of the Cooperative.

Section 2.9. Maintaining Member Location. Each Member shall maintain every dwelling or structure owned, controlled, or directly occupied by the Member, and at which the Cooperative provides any Cooperative services, as required by the Governing Documents.

Section 2.10. Grant of Property Rights. As required by the Cooperative for a Cooperative purpose, a Member shall: (1) provide the Cooperative safe and reliable access to or use of Member property; and (2) pursuant to terms and condition specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written or oral easement, right-of-way, license, or other right or interest in Member property, and execute a document regarding this grant or conveyance.

A "Cooperative purpose" is at any time, and in a manner determined by the Cooperative: (1) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative equipment or member equipment connected to Cooperative equipment; (2) clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation; (3) Providing a Cooperative service to a Member or one or more other Members; (4) monitoring, measuring, or maintaining a Cooperative service provided to a Member or one or more other Members; (5) Providing electric energy to a person or one or more other persons; (6) monitoring, measuring, or maintaining electric energy provided to a person or one or more other persons; (7) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative equipment; or (8) safely, reliably, and efficiently operating the Cooperative or providing a Cooperative service.

No member shall tamper or interfere with, damage, or impair any Cooperative equipment. Unless otherwise determined by the Board, the Cooperative owns all Cooperative equipment. Each Member shall protect all Cooperative equipment, and shall install, implement, and maintain any protective device or procedure reasonably required by the Cooperative.

Each Member shall comply with any procedure required by the Cooperative regarding the provision of any Cooperative services to any Member or person.

Any person who refuses to grant the Cooperative an easement or easements upon request, thereby causing the Cooperative to circumvent the member's property, may be admitted to membership or

retain membership in the Cooperative only upon payment of the actual cost of any line changes made necessary by such refusal.

Section 2.11. Indemnification. As requested by the Board, each Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any expenses, costs, liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative director, officer, employee, agent, representative or contractor because of any property damage, personal injury, or death resulting from the Member's negligence or failure to comply with the Governing Documents.

Section 2.12. Territorial Districts. The Members of the Cooperative, and those who hereafter become Members, shall be grouped into seven (7) reasonably determined territorial districts. The establishment of territorial districts shall be in the Board's sole discretion. Members shall be advised of their district annually.

Section 2.13. Member Suspension. The Cooperative may suspend Members as provided in this Bylaw and allowed by law.

1. The Cooperative may suspend a Member if the Member fails to timely pay any amounts due the Cooperative; fails to timely comply with the Governing Documents; dies, legally dissolves, or legally ceases to exist, or voluntarily requests suspension; or as otherwise provided in these bylaws, or for other good cause determined by the Board (collectively, "suspension reason").

2. Upon a Member's death, dissolution, legal cessation, or voluntary request for suspension, or, unless otherwise provided in these Bylaws, if the Cooperative, following the occurrence of any other suspension reason:

A. Provides the Member at least fifteen (15) days prior written notice of the Member's possible suspension and the underlying suspension reason; and

B. Notifies the Member that the Member has, and allows the Member, at least five (5) days after the effective date of the notice to comment upon the suspension reason, either orally or in writing; then, unless otherwise determined by the Board in good faith, the Member is suspended.

Any written suspension notice provided by mail must be mailed first-class or certified mail to the Member's most current address shown on the membership list. Unless otherwise determined by the Board, a partnership-Member continuing to use, receive, or purchase a Cooperative service is not automatically suspended upon the death of any partner, or following any other alteration in the partnership. A partner leaving a partnership-Member remains liable to the cooperative for any amounts owed to the Cooperative by the partnership-Member at the time of the partner's departure.

3. Upon a Member's suspension, and other than the Cooperative's obligation to retire and refund capital credits and affiliated capital credits; and obligations regarding the Cooperative's dissolution,

A. the Cooperative's duties, obligations, and liabilities imposed by these bylaws for the Member cease; and

B. the Cooperative may cease providing any Cooperative service to the Member.

4. Other than the right to receive retired and refunded capital credits and affiliated capital credits, and other than rights upon the Cooperative's dissolution, a suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, a suspended Member forfeits and relinquishes any voting rights provided by these bylaws. A suspended Member, however, remains subject to all obligations imposed by the Governing Documents.

5. Unless otherwise determined by the Board in good faith, a Member's suspension is automatically lifted upon the Member rectifying, to the Cooperative's reasonable satisfaction, the underlying suspension reason within ten (10) days of the suspension. The Board may lift any Member suspension for good cause as determined by the Board.

Section 2.14. Member Termination. Upon approval by the Board, and as allowed by law, a suspended Member is terminated. Termination of a Member does not release the Member from any debts, liabilities, or obligations owed the Cooperative. Upon a Member's termination from the Cooperative, and after deducting any amounts owed the Cooperative, the Cooperative shall return to the Member any amounts authorized by the Board and generally returned to terminated members, if any.

Section 2.15. Petitions. Petitions by the Membership authorized under these Bylaws shall be on forms prepared and available from the Secretary of the Cooperative at the principal office of the Cooperative.

With regard to such petitions, the following are required:

1. The purpose of the petition shall be clearly stated;
2. All Members signing such petitions shall include thereon their mailing address and account number;
3. Each Member's signature appearing thereon shall be dated as of the date of signing;
4. The person circulating such petition shall be an active Member of the Cooperative and shall indicate under oath or affirmation at the end of each petition sheet his or her residence address, account number and that he or she circulated the petition and that such persons signed the petition in his or her presence.

Section 2.16. Educational Programs. The Cooperative may allow and support educational programs for its Members, employees, patrons, prospective Members, and the community, and further provide for cooperative relations with other Cooperatives and organizations.

Section 2.17. Membership List. Unless otherwise determined by the Board, Board policy, otherwise provided in these bylaws, or as otherwise provided by law, no member may inspect, copy, or receive a copy of the membership list or any similar list of members. Without the Board's written consent, the names and addresses included in the membership list may not be:

1. Used to solicit money or property;
2. Used for any commercial purpose;
3. Sold to, or purchased by, any person.

Section 2.18. Member Liability. A member is generally not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations. A member, however, may become liable to the

Cooperative as provided in these bylaws; by law; or as otherwise agreed to by the Cooperative and member.

ARTICLE III - MEETINGS OF THE MEMBERSHIP

Section 3.1. Annual Meetings. The following applies to all Meetings of the Membership:

1. The regular Annual District Meeting of the members shall be held within the territorial boundaries of the respective district not less than thirty (30) nor more than one hundred twenty (120) days before the Annual Meeting of the Cooperative, at the places and on the dates and at the times to be determined by the Board of Directors.

2. The Annual Meeting of the district shall be called to order by the Chairperson, who shall also conduct the meeting. The Chairperson and Secretary, or their designee, shall be responsible for the preparation, and shall certify to the correctness and completeness of the minutes of such district meetings, and shall forward such certified minutes to the Secretary of the Cooperative within four (4) weeks after the meeting,

3. The purpose of each District Meeting shall be to vote to elect the Director for the district, hear and act upon matters submitted by the Board to the districts, to formulate and vote on resolutions to be submitted to the Board, to elect Delegates and Alternates, and to elect a Chairperson, a Vice-Chairperson, and a Secretary from among the delegates.

4. The District Chairperson, Vice-Chairperson and Secretary shall act as officers of the district until the next regular District Meeting or until their successors have been elected.

Section 3.2. Special Meetings. Special District Meetings may be called by a majority of Directors of the Cooperative or upon written request signed by at least ten per cent (10%) of the members of the District; all signatures must be signed and dated within forty-five (45) days following the first signature. If a special District Meeting has been called, it shall be the duty of the Secretary of the Cooperative to cause notice of such meeting to be given as outlined in Section 3 of this Article. Said special District Meeting shall be held at a time and place within the District as designated by the Board. The written request shall specify the purpose of the special meeting, and comply with Article II, Section 15 above regarding Petitions.

Section 3.3. Notice. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting either personally or by mail, by or at the direction of the Secretary of the Cooperative, to each member of the district. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon fully prepaid. Publication in a newsletter mailed to each member's address as it appears on the records of the Cooperative is sufficient delivery for purposes of these bylaws. The failure of any member to receive any such notice shall not invalidate any action which may be taken by the members of the district at any such meeting.

Section 3.4. Quorum. One per cent (1.00%) of the members of a District present or thirty (30) members present in person, whichever is greater, shall constitute a quorum for the transaction of business at all District Meetings. If less than a quorum is present at any District Meeting, a majority of those present may adjourn the meeting for a time not more than sixty (60) days upon further written notice as provided in Section 3 of this Article above.

Section 3.5. Voting. Each member shall be entitled to one (1) vote and no more upon each matter submitted to vote at a meeting. All questions shall be decided by a majority of the members voting thereon, except as provided in these bylaws or otherwise by law. At a Special Member Meeting, Members in attendance may vote only on the matter described in the Notice of Special Meeting.

Section 3.6. Proxies. At all District Meetings, a member of the district may vote by proxy, executed in writing by the member, in the event of illness or physical incapacity of the member, certified by a physician. Such proxy shall be filed with the district Secretary before or at the time of the District Meeting together with the certificate of illness or physical incapacity by the physician. The person voting the proxy must be a member and that member shall vote as proxy for no more than three (3) members at any District Meeting and no proxy shall be valid after sixty (60) days from the date of its execution. The presence of the member at a District Meeting shall revoke any proxy theretofore executed by that member and such member shall be entitled to vote at such District Meeting in the same manner and with the same effect as if the member had not executed a proxy. A member proxy shall expire at the conclusion of the District Meeting for which the proxy is granted, or any adjournment thereof. Other than for causes stated above, there shall be no proxy voting at District Meetings.

Section 3.7. Credentials & Elections Committee. The Board may provide for the attendance of legal counsel at any District Meeting and Delegate Meeting. Said legal counsel may constitute the Credentials & Elections Committee for any uncontested matter. For all contested elections, the board shall appoint a committee consisting of three (3) Cooperative members in good standing, who are not Board members, employees of the Cooperative, or close relatives of a Board member or employee. In the absence of such appointment, the District officers shall constitute the Credentials & Elections Committee for District Meetings. It shall be the responsibility of the Committee to establish or approve the qualifications and nominations for all candidates for election, including conflict of interest matters. It shall also be the responsibility of the Committee to decide all questions with respect to elections and voting which may arise at any District Meeting or Delegate Meeting. The Committee's decision on all matters shall be final.

Section 3.8. Order of Business. The District Chairperson, or in the Chairperson's absence, the District Vice-Chairperson shall preside at all meetings of the district. The Chairman of the Cooperative shall preside at all special District Meetings. The order of business at the Annual District Meeting and, so far as possible, at all other District Meetings, shall be essentially as follows:

1. Report on the number of members present in person in order to determine the existence of a quorum;

2. Reading of the notice of the meeting with proof of the due publication or mailing thereof, or waiver or waivers of notice of meeting, as the case may be;
3. Reading of unapproved minutes of previous meetings and the taking of necessary action thereon;
4. Presentation and consideration of reports of officers, delegates, directors, and committees;
5. Election of Delegates and Alternates;
6. Election of District Chairperson, Vice-Chairperson, and Secretary;
7. Unfinished business;
8. New business; and,
9. Adjournment.

Section 3.9. Conduct. The District Chairperson or Chairman of the Cooperative may remove, or provide for the removal of, any person from any member meeting for unruly, disruptive, or similar behavior, and may exercise any power reasonably necessary for efficiently and effectively conducting any Member meeting. Before or at any Member meeting, the Board may limit attendance at the Member meeting to members only.

ARTICLE IV – DELEGATES

Section 4.1. Number. Each district shall elect one Delegate for each one hundred (100) members of the district. The number of members in each district shall be determined annually by the Secretary of the Cooperative prior to the Annual District Meeting. There shall be no Delegate elected for any membership lot less than one hundred (100). Each Delegate duly nominated, qualified and elected shall be empowered to cast one vote at any annual or special Delegate Meeting of the Cooperative during their tenure.

Section 4.2. Qualifications. Each Delegate must be a member in good standing and bona fide resident of the district which he/she is to represent, and be at least eighteen (18) years of age, and may not be in any way employed by or primarily financially interested in a competing enterprise or a business selling or distributing electric energy or goods or services to the Cooperative.

Section 4.3. Nominations. All nominations for Delegates shall be made off the floor at the regular District meetings.

Section 4.4. Election. The candidates who receive the greatest number of votes shall be elected as Delegates. Drawing by lot shall resolve, where necessary, any tie votes.

Section 4.5. Tenure. The Delegates elected at the regular District Meeting to succeed those Delegates whose term of office has expired shall serve a term of one (1) year or until their successors shall have been elected and shall have qualified.

The fact that the Board shall reconstitute the territorial districts under Article II, Section 12 of these bylaws such that an existing Delegate shall no longer reside within that territorial district shall not affect the remaining term of that Delegate nor cause a vacancy to occur.

Section 4.6. Duties & Responsibilities. Delegates' duties and responsibilities shall include:

1. Report results of all votes on resolutions at District Meetings to the Board through their District Director;
2. Make recommendations to and raise concerns voiced by members to the Board through their District Director;
3. Review the Board's annual report at the Annual Meeting of the Cooperative; and,
4. Report to the members of their districts the results of the Annual Meeting of the Cooperative

Section 4.7. Removal of Delegates. Any member of a district may, for cause, bring charges against a Delegate for that district by filing them in writing with the Cooperative Secretary, together with a petition signed by not less than ten per cent (10%) of the members of the district, requesting the removal of the Delegate in question. Petitions requesting the removal of a Delegate shall be available and in such form as provided in Article II, Section 14. The petition shall state succinctly the reasons being alleged for the Delegate's recall. The circulator shall be a resident and member of the same district in which he/she circulated the petition. Signatures lacking the complete information as specified in Article II, Section 14, shall be disqualified and signatures of Joint Members shall count as one. All petitions shall be signed no more than forty-five (45) days prior to presentation to the Secretary. The removal shall be voted upon at the next regular or special meeting of the district and any vacancy created by such removal may be filled by the members at such meeting; provided, however, that the new Delegate must reside in the same district as the Delegate in respect of whom the vacancy occurs. The Delegate against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence and the person or persons bringing the charges against such Delegate shall have the same opportunity.

Section 4.8. Alternate Delegates. Alternate Delegates shall be chosen at the District Meeting to attend the Annual Meeting in the event the Delegate is unable to attend. The number of Alternate Delegates will be based on the size of the District. The Alternate Delegate must meet the qualifications in Section 2 of this Article and, when acting as a Delegate, will have the same duties as listed in Section 6 of this Article.

Section 4.9. Compensation. Delegates shall not receive any salary or expenses for their services as Delegates.

ARTICLE V - MEETINGS OF DELEGATES

Section 5.1. Annual Meetings. The Annual Meeting of the Cooperative shall be attended by the Delegates, Directors and Officers of the Cooperative and be held on the third Saturday of the month of August of each year, at such place and time within the territorial limits of the Cooperative as the Board shall determine; provided, however, the Board may fix a different date for such Annual Meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section.

Section 5.2. Special Meetings. Special meetings may be called by a majority of the Directors of the Cooperative or upon a written request of Delegates representing a majority of the members of each of any three (3) districts. The Petition for Special Meeting shall be in the form provided by Article II, Section 14, as set forth above. Each of the District Delegates' signatures must be dated and signed within forty-five (45) days of the first signature. It shall thereupon be the duty of the Secretary of the Cooperative to cause notice of such meeting to be given as provided in Section 3 of this Article.

Section 5.3. Notice. Written or printed notice, stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the day of the meeting, either personally or by mail, by or at the direction of the Secretary of the Cooperative, to each Delegate of the Cooperative. If mailed, such notices shall be deemed to be delivered when deposited in the United States Mail, addressed to the Delegate at the Delegate's address as it appears on the records of the Cooperative, with postage thereon fully prepaid. The failure of any Delegate to receive notice shall not invalidate any action which may be taken by the Delegates at any such meeting.

Section 5.4. Quorum. A majority of all Delegates of the Cooperative present in person shall constitute a quorum for the transaction of business at any annual or special meeting of the Cooperative.

Section 5.5. Voting. At all meetings of the Cooperative, all questions shall be decided by a majority of the Delegates voting thereon, except as to those matters requiring a higher vote as indicated by the Michigan Business Corporation Act or similar applicable statute, or as otherwise provided in these bylaws.

Section 5.6. Proxies. There shall be no proxy voting at annual or special meetings of the Cooperative.

Section 5.7. Order of Business. The Chairman of the Cooperative, or in the Chairman's absence the Vice-Chairman of the Cooperative, shall preside at all Delegate Meetings of the Cooperative. The order of business at the Annual Meeting of the Cooperative and, so far as possible, at special meetings of the Cooperative, shall be essentially as follows:

1. Report on the number of Delegates present in person in order to determine the existence of a quorum;
2. Installation of Directors;
3. Reading of the notice of the meeting with proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;
4. Reading of unapproved minutes of previous meetings and the taking of necessary action thereon;
5. Presentation and consideration of, and acting upon reports of Officers, Directors, and Committees;
6. Unfinished business;
7. New business; and
8. Adjournment.

Members in attendance may consider, vote, or act upon only the matter described in the Notice of the Special Member meeting. The provisions as set forth in Article III, Section 9 above with regards to conduct and attendance at District Meetings shall also apply to all Delegate Meetings.

ARTICLE VI - RECORD DATE & NUMBER

Section 6.1. Record Date. The Board may fix a date (record date) for determining the total Members and the Members entitled to receive notice of, and vote at, a Member meeting. No Board-determined record date may be more than 60 days prior to the date of the Member meeting.

Unless otherwise fixed by the Board, the record date for determining the total Membership and the Members entitled to receive notice of a Member meeting is the business day preceding the day the Cooperative notifies Members of the Member meeting; and the record date for determining the Members entitled to vote at a Member meeting is the date of the Member meeting.

After fixing the record date determining the Members entitled to receive notice of a Member meeting, and through the Member meeting, the Cooperative shall prepare, update and maintain an alphabetical list (meeting list) indicating Members entitled to receive notice of, and to vote at, the Member meeting; with the Member's name and address, and number of votes entitled to be cast at the Member meeting by each Member listed.

Section 6.2. Record Number. On the record date, the Board shall cause a count (record number) to be made, by district, of the total number of Members entitled to attend a Member meeting and vote therein. This record number shall be used, if needed, to determine official quorums and voting percentages.

Section 6.3. Member Meeting Lists. Unless otherwise determined by the Board, or otherwise provided in these bylaws, no Member may inspect, copy, or receive a copy of the Member meeting list.

Section 6.4. Notice. A Member may waive notice of a meeting, or waive notice of a matter to be considered, or voted or acted upon, at a Member meeting, by signing and delivering to the Cooperative a written waiver of notice, either prior to the Member meeting or within 30 days following the Member meeting.

Unless a Member objects to holding, or transacting business at, a member meeting, a Member's attendance in person or by Member proxy at a Member meeting waives the Member's objection to lack of notice, or defective notice, of the Member meeting.

Section 6.5. Voting. At any Member meeting, the individual presiding over the Member vote may require Members to vote by voice. If the individual presiding over the Member vote determines, in good faith, that a voice vote is not sufficient to accurately determine the vote results, then the Members shall vote by written ballot, or by any other reasonable manner determined by the individual presiding over the meeting. The individual presiding over the meeting shall resolve any tie Member vote.

Members may not vote cumulatively. Agreements signed by Members providing the manner in which a Member will vote are not valid.

ARTICLE VII - DIRECTORS

Section 7.1. Number. The Board shall consist of seven (7) Directors. Each district shall elect one (1) Director to the Board of the Cooperative.

Section 7.2. Qualifications. To become or remain a Director, a person must comply or meet the following general qualifications. Each Director: must be an individual member in good standing of the Cooperative and a bona fide resident of the district in which he/she is to represent; shall be at least twenty-one (21) years of age; during the ten (10) years immediately prior to becoming a Director, shall not have been convicted or pled guilty to a felony, or a misdemeanor crime involving issues of moral character; must be a United States Citizen; shall not commit or omit a suspension reason, as listed in Article II, Section 13; have the capacity to enter into legally binding contracts; must meet all reasonable conflict of interest Director qualifications in Article VII, Section 3; and must comply with any other reasonable qualifications determined by the Cooperative Board or its membership.

Section 7.3. Conflict of Interest Director Qualifications. To become or remain a Director, an individual must annually sign a Conflict of Interest Certification or complete a Conflict of Interest Disclosure Form approved by the Board. While a Director, and during the three (3) years immediately prior to becoming a Director, an individual must comply with or meet the following Conflict of Interest qualifications by not being, nor having been:

1. A close relative of any existing Director, other than an existing Director who will cease being a Director within one year;
2. An existing or a close relative of any existing non-Director Cooperative officer, employee, agent, or representative;
3. Employed by, materially affiliated with, or sharing a material financial interest with the Cooperative, its subsidiaries, or any other Director; or,
4. Engaged in any business, nor employed by, materially affiliated with, or having a material financial interest in any individual or entity regularly, directly and substantially competing with the Cooperative or any entity that the Cooperative controls or in which the Cooperative owns a majority interest (Cooperative subsidiary), or regularly selling goods or services to the Cooperative, a Cooperative Subsidiary, or at least 10% of its members, or possessing any other conflict of interest with the Cooperative or a Cooperative Subsidiary.

Section 7.4. Director Disqualification. Only individuals complying with or meeting the general Director Qualifications (Section 2) and Conflict of Interest Director Qualifications (Section 3) may become or remain a Director. After being elected, if any Director fails to comply with or meet any Director qualification, then and unless otherwise determined by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director:

1. If the Board notifies the Director in writing with the basis for and provides the Director with an opportunity to comment regarding the Board's proposed disqualification; and,
2. If within ten (10) days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director qualification.

If at least a majority of the Directors authorized by these bylaws comply with and meet the Director qualifications and approve the Board action, then failure of any Director to comply with or meet the Director qualifications does not affect the Board action.

Section 7.5. Nominations. A Director Nominating Committee (committee) shall be responsible for nominating director candidates in the district in which a director's term expires. The committee shall consist of the Chairperson, Vice-Chairperson and Secretary of the district, or their designee, who also must be a member from that district. No officer or member of the board of Directors or their spouse, or close relatives, shall be a member of such committee. The committee shall submit to the Secretary of the Cooperative by March 15 of each year of the election, a list of at least one (1) nomination for each Director. The Credentials and Election Committee, as outlined in Article III, Section 7 of these bylaws, will review the nominees' credentials and post, by March 25, a list of nominees at the offices of the Cooperative. In addition, any twenty-five (25) or more members of that district may make other nominations by petition as provided in Article II, Section 14 of these bylaws. Petition signatures shall not be obtained before January 1 of the year of the election. The petition must be submitted to the Secretary, at the principal office of the Cooperative, no later than April 5 of the year of the election. The Credentials and Election Committee shall review the petitions, if any, and the credentials of the nominees and, by April 10, post any further nominees at the offices of the Cooperative.

Section 7.6. Election. The Secretary shall mail by June 1 to all members of the district in which Directors are to be elected, a statement of the nominations made by the Committee, the nominations petition, if any, and absentee ballot request forms. Members attending the district meeting will receive a ballot upon registration and shall vote by ballot immediately following the district meeting. Any member who is absent from the district meeting may vote by mail with an absentee ballot, but not by proxy. Any member desiring to vote in this manner must request from the Secretary an absentee mail ballot on the ballot request form to be provided with the statement of nominees. Such request must be received by the Secretary no later than June 1 of the year of the election. Mail ballots shall be signed by the member voting the same, and in the case of a joint membership, by either of the Joint Members, and shall be received by the Secretary no later than June 15 of the year of the election. All members are entitled to one vote, either in person at the District Meeting, by proxy at the District Meeting as outlined in Article II, Section 6 of these bylaws, or by absentee mail ballots. The Credentials and Election Committee or designee shall announce the election results at the next Annual Meeting.

Section 7.7. Tenure. The Directors elected to succeed those Directors whose term of office has expired shall serve a term of three (3) years or until their successors have been elected and shall have qualified. No more than three (3) Directors' terms shall expire in any one year. The fact that the Board shall reconstitute the territorial districts under Article II, Section 12 of these bylaws, such that an existing Director shall no longer reside within that territorial district, shall not affect the remaining term of that Director nor cause a vacancy to occur.

Section 7.8. Director Conduct. In general:

1. Director Standard of Conduct. A Director is not deemed a trustee regarding the Cooperative, Capital Credits, or property held or administered by the Cooperative, including property potentially subject to restrictions imposed by the property's donor or transferor. A Director shall discharge the Director's duties, including duties as a Board Committee member:

A. in good faith;

B. in a manner the Director reasonably believes to be in the Cooperative's best interests;

C. when becoming informed in connection with the Director's decision-making function or devoting attention to the Director's oversight function, with the care that an individual in a like position would reasonably believe appropriate under similar circumstances; and

D. in a manner in which the Director discloses or causes to be disclosed to other Directors or Board Committee members information not known by them, but known by the Director to be material to discharging their decision-making or oversight functions, except that disclosure is not required to the extent that the Director reasonably believes that disclosure would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

2. Director Reliance on Others. Unless a Director has knowledge making reliance unwarranted, then in discharging the Director's duties, including duties as a Board Committee member, the Director may rely:

A. on the performance by any of the following individuals listed in (A) or (C) to whom the Board has formally or informally delegated the authority or duty to perform one or more of the Board's delegable functions; and

B. upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the following individuals:

1) one or more Cooperative officers or employees whom the Director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;

2) legal counsel, public accountants, or other individuals retained by the Cooperative regarding matters involving skills or expertise the Director reasonably believes are matters within the individual's professional or expert competence and as to which the individual merits confidence; and

3) a Board Committee of which the Director is not a member, if the Director reasonably believes the Board Committee merits confidence.

Section 7.9. Removal. Any Member may bring charges, for taking, or omitting to report, a negligent, fraudulent, or criminal act significantly and adversely affecting the Cooperative, against the Director of the Member's district by filing them with the Cooperative Secretary, or designee appointed by the Cooperative Chairman, together with a petition signed by not less than ten percent (10%) or one hundred (100) of the members of that district, whichever is greater, requesting the removal of the Director in question. Petitions requesting the removal of a Director shall be available and in such form as provided in Article II, Section 14. The petition shall state succinctly the reasons being alleged for the

Director's recall. The circulator shall be a resident and member of the same district in which he/she circulated the petition. Signatures lacking the complete information as specified in Article II, Section 14 will be disqualified and signatures of Joint Members shall count as one. All petitions shall be signed no more than forty-five (45) days prior to presentation to the Secretary or designee.

The Secretary or designee shall then proceed to call a special meeting of the Members of that district with notice requirements to the Members the same as notice requirements to the members in Article III, Section 3. Such Director shall be informed in writing of the charges at least ten (10) 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 and the person or persons bringing charges against such Director shall have the same opportunity. The question of the removal of such Director shall be considered and voted upon at the meeting of the Members of that district. Any vacancy created by such removal may be filled by majority vote of the Members of that district at such meeting without compliance with the foregoing provisions with respect to nominations, except the nominee must otherwise meet all general Director and Conflict of Interest Director Qualifications. For removal, the question must be voted upon by those Members in person, not in proxy, with the affirmative vote representing no less than ten per cent (10%) of the actual Record Number of members in the district, but not less than one hundred (100) votes, whichever is greater.

No more than one meeting of the district Members shall be held and/or vote recorded for the removal of the Director during the term for which he/she is elected. Any special meeting called, in response to charges as set forth in the petition filed with the Secretary or designee, shall adhere only to those charges.

Section 7.10. Vacancies. Except as detailed in Article VII, Section 9, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors except, however, that the Director so chosen shall be from the same district as was the person whose unexpired term he/she fills. Directors thus elected shall serve until their successors shall have been elected and shall have qualified at the next Annual Meeting, in accordance with the process in Article VII Section 6. Successor's terms shall be the remaining unexpired term created by the vacancy, if any.

Section 7.11. Compensation. Directors as such shall not receive any salary for their services, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for the attendance at all official business of the Cooperative whether local, state or national, such as meetings, conferences, seminars, hearings, training programs or performing committee assignments authorized by the Board. By resolution the Board may provide for any other reasonable benefits for the Directors, including insurance, and compensation for consulting services to the Cooperative upon retirement, without granting any contractual or vested rights in and to receipt or continued receipt of the same. Except in emergencies, no Director or close relative of a Director shall receive compensation for serving the Cooperative in any other capacity unless compensation shall be specifically authorized by the unanimous vote of the Directors not involved therein.

Section 7.12. Close Relative Defined. As used in these bylaws, “close relative” means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, uncle, aunt, nephew, or niece of the principal, or resides in the same residence.

ARTICLE VIII - MEETINGS OF DIRECTORS

Section 8.1. Regular Meetings. A regular meeting of the Board shall be held, without notice, immediately after the adjournment of the Annual Meeting of the Cooperative, or as soon thereafter as may be convenient, at such site as designated by the Board in advance of the Annual Meeting of the Cooperative. A regular meeting of the Board shall also be held monthly at such date, time and place as the Board may approve. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require a special notice.

Section 8.2. Special Meetings. Special meetings of the Board may be called by the Chairman or any three (3) Directors. The person or persons authorized to call special meetings of the Board may fix the time and place for holding of any special meeting of the Board called by them.

Section 8.3. Notice. Written, oral or electronic notice of the date, time, place, and purpose of any special meeting of the Board shall be given at least two (2) days previous thereto. The attendance of a Director at any meeting shall constitute waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business on the ground that the meeting shall not have been lawfully called or convened.

Section 8.4. Quorum. The presence in person of a majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a quorum be present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8.5. Voting. All questions shall be decided by a majority vote of the Directors voting thereon except as otherwise provided in these bylaws.

Section 8.6. Proxies. Proxy voting shall not be allowed at meetings of Directors.

Section 8.7. Board Action by Written or Electronic Consent. Without a Board meeting, the Board may take any action required or permitted by law, by written or electronic consent. Such action must be evidenced by one or more written or electronic consents describing the action taken, signed and dated by each Director, and included with the Cooperative’s Board meeting minutes. Unless specified otherwise, the written or electronic consent is effective when the last Director signs the Director consent, and has the effect of, and may be described as, a Board meeting vote.

Section 8.8. Committees. The Board may create committees of the Board and/or Members, and appoint Members and Directors to serve on such committees. Committees may act as specified by the Board, but may not exceed Board authority.

Section 8.9. Conflict of Interest Transaction. A conflict of interest transaction is a contract or transaction with the Cooperative in which a Director has a direct or indirect interest (“conflict of interest transaction.”)

1. Indirect Interest. A Director has an indirect interest in a contract or transaction with the Cooperative if at least one party to the contract or transaction is another entity: (1) in which the Director has a material or financial interest, is a member, or is a general partner; or (2) of which the Director is a director, officer, trustee, or employee.

2. Approval of Conflict of Interest Transactions. Such interested Director is to be counted in determining whether a quorum is present, but not be counted as voting upon the matter. Regardless of the presence of a Director interested in a conflict of interest transaction, a conflict of interest transaction may be approved if the material facts regarding the conflict of interest transaction and the Director’s interest, are disclosed or known to the Board, and the remaining Directors with no interest in the conflict of interest transaction vote unanimously in good faith to approve the conflict of interest transaction.

3. Fair Conflict of Interest Transaction. A conflict of interest transaction that is approved pursuant to this Bylaw, or that is fair to the Cooperative when entered or approved pursuant to this Bylaw, is not, solely by reason of being a conflict of interest transaction: (1) void or voidable; or (2) the basis for imposing liability on a Director interested in the conflict of interest transaction.

Section 8.10. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE IX - OFFICERS

Section 9.1. Number & Title. The officers of the Cooperative shall be Chairman, Vice-Chairman, Secretary, Treasurer, 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 9.2. Election. The officers shall be elected by ballot by and from the Board at the first meeting of the Board held after each Annual Meeting of the Cooperative.

Section 9.3. Tenure. Each officer shall hold office until the first meeting of the Board following the next succeeding Annual Meeting of the Cooperative or until the officer’s successor shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of Directors and officers.

Section 9.4. Removal. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Cooperative will be served thereby.

Section 9.5. Vacancies. A vacancy in any office may be filled by the Board for the unexpired portion of the term of the office vacated.

Section 9.6. Chairman. The Chairman shall:

1. Be the principal executive officer of the Cooperative and shall preside at all meetings of the Board.

2. Sign, with the Secretary, certificates of membership, if issued, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed.

3. In general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

Section 9.7. Vice-Chairman. In the absence of the Chairman, or in the event of the Chairman's inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman and shall perform such other duties as from time to time may be assigned to the Vice-Chairman by the Board.

Section 9.8. Secretary. The Secretary, or the Secretary's designee, shall:

1. Keep the minutes of meetings of the Board in electronic or written format;
2. See that all notices are duly given in accordance with these bylaws or as required by law;
3. Be custodian of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
4. Keep a register of the name and address of each member of the Cooperative, which address shall be furnished to the Cooperative by such member;
5. Sign with the Chairman certificates of membership, the issue of which shall have been authorized by resolution of the Board;
6. Have general charge of the books and accounts of the Cooperative;
7. Keep on file at all times a current complete copy of the bylaws of the Cooperative, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the bylaws to any member upon request; and
8. In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board.

Section 9.9. Treasurer. The Treasurer, or the Treasurer's designee, shall:

1. Have general charge and custody of and be responsible for all funds and securities of the Cooperative;
2. Have general charge of the receipt of all monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative, except for authorized petty cash funds, in such financial institutions or secure investments as have been approved by the Board; and
3. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board.

Section 9.10. General Manager. The General Manager shall perform such duties as the Board may from time to time require of that office and shall have such authority as the Board may from time to time vest in that office, and shall serve as the chief executive officer of the Cooperative.

Section 9.11. Bonds. The Board may require the Treasurer or any other officer of the Cooperative charged with the responsibility of the custody of any of its funds or property to give bond 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 give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

Section 9.12. Compensation. The compensation, if any, of any officer of the Cooperative, or any close relative of any officer, shall be determined by the unanimous vote of the Directors not involved therein.

Section 9.13. Officer Standard of Conduct. An Officer shall discharge the Officer's duties: (1) in good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the Officer reasonably believes to be in the Cooperative's best interests.

Section 9.14. Accounting System & Reports. The officers of the Cooperative shall submit at each Annual Meeting of the Cooperative reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year. The Board shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records, reflecting financial operations during the past fiscal year. A full and accurate summary of such audit reports shall be submitted to the Delegates at or prior to the annual meeting of the Cooperative.

ARTICLE X - WAIVER OF NOTICE

Any member, Delegate, officer or Director may waive, in writing, any notice of meetings required to be given by these bylaws.

ARTICLE XI - ROBERT'S RULES OF ORDER

All District Meetings, meetings of the Cooperative, and meetings of the Board will be subject to the latest edition of Robert's Rules of Order.

ARTICLE XII - CONTRACTS, CHECKS & DEPOSITS

Section 12.1. Contracts. Except as otherwise provided in these bylaws, the Board may authorize any officer or agent to enter 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 12.2. 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 or countersigned by such officer or agent of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

Section 12.3. Deposits and Investments. All funds of the Cooperative shall be deposited or invested, except for authorized petty cash funds, from time to time to the credit of the Cooperative in such financial institutions or secure investments as approved by the Board.

ARTICLE XIII - INDEMNIFICATION

Section 13.1. Indemnification. The Cooperative shall indemnify Directors, officers, agents, employees, individuals and estates, past or present, against liability to the extent that their acts or omissions constituting the grounds for the alleged liability were performed in their official capacity and, if actionable, were based upon good faith business judgments and the belief that the acts or omissions were in the best interests of the Cooperative, or its subsidiaries, or as otherwise provided by law.

Section 13.2. Advancement of Expenses. Prior to the final disposition of any action for liability the cooperative may pay for, or reimburse, the reasonable indemnification expenses incurred by an individual who is subject to indemnification by the Cooperative, including attorney fees and costs, provided the indemnified individual executes personally a unsecured general obligation to repay the Cooperative, should the indemnification standard of conduct not be met, in whole or in part, as determined by the Board or a Court of competent jurisdiction. The Cooperative may purchase insurance to cover such indemnification.

ARTICLE XIV - NONPROFIT OPERATION

Section 14.1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative nonprofit 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.

Section 14.2. Patronage Capital in Connection With Furnishing Electric Power. In the furnishing of electric power and energy, the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative.

1. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit 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 power and energy in excess of operating costs and expenses properly chargeable against the furnishing of electric power and energy. All such amounts in excess of operating costs and expenses and reasonable reserves for depreciation, doubtful accounts, operating reserves, and capital investments 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 allocate 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 fiscal 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 close of the fiscal year notify each patron of the amount of capital so credited to the patron's account: provided, however, that individual notices

of such amounts furnished to each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine the specific amount of capital so credited to that patron. All such amounts 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.

2. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

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

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

3. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part if the retirement does not result in the retirement of all voting rights. The Board shall determine the method, basis, and priority of retirement, if any, for all amounts thereafter furnished as capital.

4. Capital contributed by patrons prior to January 1, 1979, shall become permanent non-refundable capital of the Cooperative.

5. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction 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.

6. Notwithstanding any other provisions of these bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his or her 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 provision of these bylaws, to retire capital credited to such patron immediately upon such terms and conditions as the Board, acting under the 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; provided, further, however, that the aggregate amounts so retired in any one year shall not exceed 20% of the margins of that year; and provided, further, however, that if acting under policies of general application, the amount (or percentage) mentioned above is not sufficient to retire the capital credited to them, the retirement shall be made in the next succeeding year before any other retirements are made in such succeeding year.

7. Regardless of a statute of limitations or other time limitation, the Cooperative may recoup or offset an amount owed to the Cooperative by a patron or former patron, including any late payment fee, by reducing the allocated or net present value of the retired capital credits paid to the patron by the amount owed to the Cooperative.

8. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be 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 general provisions of this Article of the bylaws shall be called to the attention of each patron of the Cooperative in a reasonable manner.

ARTICLE XV - UNCLAIMED FUNDS

As allowed by law, any capital credits, patronage refunds, utility deposits, membership fees, account balance or book equity which remain unclaimed for a period of five (5) years following reasonable notice and attempted payment by the Cooperative to a member, patron, former member, or former patron entitled to thereto shall be retained by the Cooperative and the member, patron, former member or former patron shall have no claim to said funds. The Board of Directors, by its resolution and the application of sound cooperative principles, shall have the power to determine the use of the unclaimed funds.

ARTICLE XVI - DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property amounting to ten percent (10%) of all the value of the Cooperative in any one year unless such sales, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to 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 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 a national financing institution, organized on a Cooperative plan for the purpose of financing its members' programs, projects and undertaking, in which the Cooperative holds a membership.

A. Any plan of merger or consolidation of the Cooperative must be preceded by the Board of the Cooperative approving such plan by a unanimous vote. Such plan must be provided in writing to all members of the cooperative detailing all of the provisions of the plan, and as otherwise may be

required by Law. A minimum of twenty percent (20%) of the record membership either present and voting in person, or by mail or electronic ballot, must participate for the balloting to be considered valid, and a two-thirds (2/3) majority of those voting in favor of the merger or consolidation is required to approve the plan at a general or special member meeting. For the purpose of such a vote, delegate voting will not be allowed, and proxy voting will not be allowed. Mail or electronic ballot voting shall be conducted in a reasonable manner as set forth by the Board of Directors or otherwise as permitted by law.

ARTICLE XVII - FISCAL YEAR

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

ARTICLE XVIII - SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Michigan".

ARTICLE XIX - AMENDMENTS

These bylaws may be altered, amended, or repealed by a vote of two-thirds (2/3) of the Delegates of the Cooperative provided that identical notices of such proposed alteration, amendment or repeal shall have been given with the notice of the Annual or Special Meeting, or by the affirmative vote of two-thirds (2/3) of the members of the Board at any regular or special meeting provided that notice of such proposed alteration, amendment or repeal shall have been given with the notice of such meeting; provided, further, that the Board shall not make or alter any bylaws fixing their qualifications, classifications or term of office; and provided, also, that the Board shall not for at least a period of two (2) years alter, amend or repeal any bylaws altered, amended or repealed by the Delegates of the Cooperative at any regular or special Annual Meetings.

ARTICLE XX - MISCELLANEOUS

Section 20.1. Electronic Documents. If a member owns, controls, or has reasonable access to hardware and software specified by the Cooperative, then, regardless of any contrary bylaw the member agrees to use and accept, send, and receive electronic signatures, contracts, records, notices, communications and other documents (collectively referred to as "electronic documents") regarding any transaction with, for, or involving the Cooperative and conduct any action or transaction with, for, or involving the Cooperative by electronic means, and give this consent electronically or confirm this consent electronically as to all requirements imposed by law, the Articles or bylaws, and the Governing Documents of the Cooperative as determined by the Board, now or hereafter. Any electronic documents sent electronically to a Member or former Member at the Member's or former Member's last known electronic address is considered sent and received on the date sent. Any electronic documents sent electronically from a Member or former Member are considered sent and received on the date received by the Cooperative.

Section 20.2. Governing Law. These bylaws are governed by and interpreted under the laws of the State of Michigan.

Section 20.3. Titles and Headings. All titles and headings of the bylaw Articles, Sections and Subsections are for convenience and reference only and do not affect that interpretation of any bylaw, Article, Section, or Subsection.

Section 20.4. Partial Invalidity. When reasonably possible, every bylaw, Article, Section, Subsection, paragraph, sentence, clause or provision must be interpreted in a manner by which the bylaw provision

is valid. The invalidation of any bylaw provision by any entity possessing property jurisdiction and authority which does not alter the fundamental rights, duties and relationships between the Cooperative and Members, does not invalidate the remaining bylaw provisions.

Section 20.5. Cumulative Remedies. The rights and remedies provided in these bylaws are cumulative. The Cooperative or any Member asserting any right or remedy provided in these bylaws does not preclude the Cooperative or Member from asserting other rights or remedies provided in these bylaws.

Section 20.6. Successors and Assigns. To the extent allowed by law, the duties, obligations, and liabilities imposed by these bylaws upon the Cooperative and its Members are binding upon its successors, and assigns of the Cooperative or Member.

Section 20.7. Waiver. The failure of the Cooperative to assert any right or remedy provided in these bylaws does not waive the right or remedy provided in these bylaws.

Section 20.8. Entire Agreement. Between the Cooperative and a Member, the Governing Documents: (1) constitute the entire agreement; and (2) supersede and replace a prior or contemporaneous oral or written or electronic communication or representation.

Section 20.9. Lack of Notice. The failure of a Member or Director to receive notice of a Meeting, action, or vote does not affect, or invalidate, an action or vote taken by the Members or Board.