

Alger Delta Cooperative Electric Association

Bylaws

Adopted: June 16, 2021

**Alger Delta Cooperative Electric Association
426 N 9th St. – Gladstone, MI 49837
906-428-4141**

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ARTICLE I. MEMBERSHIP

Section 1. Qualification.

- (a) Any natural person, firm, association, corporation, partnership or governmental unit (“person” or “applicant”) may become a member of Alger Delta Co-operative Electric Association (“Cooperative”) by:
 - (a) Applying for electric service from the Cooperative; and,
 - (b) Paying a nonredeemable membership fee; security deposit; service connection deposit or fee; facilities extension deposit; contribution in aid of construction; and any other fees or special charges or any combination thereof, as required by the Cooperative; and,
 - (c) Agreeing to purchase from the Cooperative electric power and energy as hereinafter specified; and,
 - (d) Agreeing to comply with and be bound by the Cooperative’s articles of incorporation, bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Cooperative’s board of directors (“board”).
- (b) The term “member” as used in these bylaws, shall be deemed to include any natural person or persons whether singly or jointly; firm, association, corporation, partnership or governmental unit which have applied for and have been accepted into membership in the Cooperative and who receive electric power and energy from the Cooperative.
- (c) The term “patron” as used in these bylaws, shall include any natural person or persons, whether singly or jointly; firm, association, corporation, partnership or governmental unit which applied for and was accepted into membership in the Cooperative, but is no longer taking or receiving electric power and energy from the Cooperative.
- (d) While a person may receive electric service at more than one premises, location, building or facility, no person shall hold more than one membership in the Cooperative.
- (e) Each non-natural member shall designate its representative to the Cooperative on its stationery signed by an authorized officer and file such designation with the Cooperative. Said representative shall be eligible to vote and run for elective office, provided that all other qualifications are met.
- (f) A non-natural member’s representative nominated for election as a director shall represent the district in which the non-natural member is located and that representative need not be a residential member of the district in which the non-natural member is located.

Section 2. Joint membership

- (a) Domestic partners 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 to the board and, subject to compliance with the requirements set forth in Sections 1 and 7 of this article, be accepted for such membership.

- (b) The term “member” shall include domestic partners holding a joint membership. Any provision relating to the rights and liabilities of membership shall apply equally to holders of a joint membership.
- (c) The effect of the holders of a joint membership shall be:
 - (a) The presence at a meeting by either or both shall be regarded as the presence of the member;
 - (b) The presence at a meeting by either or both shall constitute a waiver of notice of the meeting by both;
 - (c) The presence at a meeting by 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 vote;
 - (e) A waiver of notice signed by either or both shall constitute notice to both;
 - (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. Only the member to serve as a director must meet the qualifications for director.
 - (k) Upon the death of either person in a joint membership, such membership shall be held by the survivor in the same manner and to the same effect as though such membership had never been joint. However, the estate of the deceased person shall not be released from any debts due the Cooperative.
 - (l) Upon the dissolution of the relationship of the holders of a joint membership, such membership shall continue to be held solely by the person who continues directly to occupy or use the premises or facilities covered by such membership as though such membership had never been joint. However, the former joint member shall not be released from any debts due the Cooperative.

Section 3. Membership by Governmental Agencies.

- (a) The board may, in its discretion, either require or not require membership of a governmental unit or agency as a condition to obtain service.
- (b) When required, appointment shall be made pursuant to Article I, Section 1(f).

Section 4. Territorial Districts.

- (a) The members of the Cooperative shall be grouped into nine territorial districts based upon location of receipt of electric service. The board shall establish such territorial districts, which shall contain, as nearly as reasonable, the same number of members. The establishment of territorial districts shall be at the board’s sole discretion.
- (b) The board may review and change the territorial districts from time to time as deemed necessary.

Section 5. Membership Fee.

- (a) Upon application for membership, each applicant shall make payment to the Cooperative of a membership fee, if applicable, in such amount, terms and conditions established by the board.
- (b) The membership fee shall not be in lieu of any security deposit, service connection deposit or fee, facilities extension deposit, contribution in aid of construction, or any other rates or special charge(s) required by the board for electric service.
- (c) A service connection deposit or fee, in an amount determined by the board (together with such other security deposit, service connection deposit or fee, facilities extension deposit, contributions in aid of construction, or any other fee or special charge(s), if required by the board) shall be paid by the member for each service connection requested.

Section 6. Purchase and Production of Electric Power and Energy.

- (a) Each member shall, as soon as electric power and energy is available, purchase from the Cooperative all electric power and energy purchased for use in the Cooperative's service territory (except to the extent that the board may, in writing, waive such requirement) and shall pay at rates, determined by the board. Such rates shall be approved by the Michigan Public Service Commission only if required by law or otherwise.
- (b) It is expressly understood that the amounts paid for electric power and energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws.
- (c) Each member shall pay to the Cooperative an amount per month regardless of electric power and energy consumed, as determined by the board.
- (d) Each member shall pay all amounts owed to the Cooperative when due and payable.
- (e) When a member has more than one active service connection from the Cooperative, any payment by the member for service from the Cooperative shall be allocated and credited on a pro rata basis to the member's outstanding accounts for all service connections.
- (f) Production or use of electrical energy at a member's premises and facilities, regardless of the source, shall be subject to appropriate regulations established by the Cooperative. Such production or use shall be approved by the Michigan Public Service Commission only if required by law or otherwise.
- (g) The Cooperative shall use reasonably diligent efforts to furnish its members with adequate and dependable electric service, although it cannot and does not guarantee a continuous and uninterrupted supply.
- (h) The board may require a supplemental contract executed by the applicant, for any particular classification of service the board may require.

Section 7. Acceptance into Membership.

- (a) Upon complying with the requirements set forth in Section 1 of this article, an applicant shall be accepted into membership and become eligible to receive electric service from the Cooperative, unless it is determined that such applicant is unwilling or unable to satisfy and abide by the Cooperative's rules and regulations, or that such applicant is rejected for other good cause.

- (b) In the event that an applicant is rejected, the Cooperative shall refund, in full, the membership fee (if any) and all other monies collected from the applicant less any costs actually incurred and any amounts owed the Cooperative.

Section 8. Member's Responsibilities.

- (a) Each member shall cause all premises and facilities receiving electric service from the Cooperative to be wired in accordance with applicable local, state and federal codes, ordinances and statutes.
- (b) Each member shall be responsible for and indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect or improper use or maintenance of such premises and facilities, including all wiring and apparatus connected thereto or used thereon due to the member's negligence or oversight.
- (c) Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, to install the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have reasonable access, safely and without interference, for meter reading, bill collecting, inspection, maintenance, replacement, relocation, repair or disconnection of such facilities.
- (d) Members shall allow the Cooperative to engage in reasonable and customary vegetation management activities, including tree trimming, tree removal, brush removal, mowing, and herbicide applications on all properties, whether public or private, without regard to the existence of easements or right-of-ways, where in the sole judgment of the Cooperative trees, brush, or vegetation interfere with the safe and reliable delivery of power, energy and telecommunication services or may reasonably be deemed to pose an interference at some future time.
- (e) As part of the consideration for service, each member shall be the Cooperative's custodian of such facilities and shall not interfere with, impair the operation of or cause damage to such facilities, and shall use best efforts to prevent others from so doing.
- (f) Each member shall provide protective devices, apparatus or meter base as the Cooperative shall require to protect the Cooperative's physical facilities and operations, and to prevent any interference with or damage to such facilities.
- (g) In the event such facilities are interfered with, impaired or damaged by the member, or by any other cause when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment.
- (h) The Cooperative shall, in accordance with its applicable service rules and regulations, indemnify a member for any overcharges for service that result from a malfunctioning of its metering equipment or error occurring in the Cooperative's billing procedures.
- (i) In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

Section 9. Withdrawal, Termination, Expulsion, Transfer of Membership, and Abandonment of Service.

- (a) Any member may withdraw from membership upon full payment of its debts and liabilities to the Cooperative and upon compliance with such terms and conditions as the board may prescribe.
- (b) Membership in the Cooperative shall not be transferable except as otherwise provided in these bylaws. Upon the death, cessation of existence, expulsion or withdrawal of a member, their membership shall terminate immediately.
- (c) Termination of membership in any manner shall not release a member or a member's estate from any debts due the Cooperative, but shall operate as a release of all right(s), title(s) and interest(s) of the member in the property and assets of the Cooperative except his or her rights as a patron.
- (d) Upon the dissolution for any reason of a domestic or business partnership or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly occupy or use the premises and facilities being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held in different partners. Neither a withdrawing partner nor a withdrawing partner's estate shall be released from any debts then due the Cooperative.
- (e) Membership in the Cooperative is not transferable, except the board, at its sole discretion, may allow the transfer of a membership from a member to a domestic partner or close relative of that member.
- (f) A member who requests disconnection of their electric service, or a member who is disconnected for just cause, such as, but not limited to, non-payment, theft of energy, or the presence of unsafe facilities, equipment, or conditions, and who remains disconnected for an uninterrupted period of twelve months or more from the date of disconnection, shall be considered to have abandoned their electric service and all related equipment and facilities used to deliver electric service and forfeited their membership in the cooperative. Notwithstanding, they shall not be released from any debt due the Cooperative. Upon abandonment of electric service, the cooperative reserves the right, at its sole discretion, to permanently remove any of its equipment and facilities used to provide electric service.

Section 10. Right of Way Easements.

- (a) Each applicant, member and/or prospective member shall, upon request, give to the Cooperative, without compensation, all easements or rights of way over, on and under such lands owned or leased by or mortgaged by the applicant, member and/or prospective member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric and/or telecommunication service(s) (for the applicant, member and/or prospective member and for other applicants, members and/or prospective members) for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.
- (b) Any applicant, member and/or prospective member who refuses to grant the Cooperative an easement or easements upon request, thereby causing the

Cooperative to circumvent the applicant's, member's and/or prospective 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 11. Petitions.

Petitions by the membership authorized under these bylaws shall be on forms prepared and available from the Secretary of the Cooperative or his/her designee. With regard to such petitions, the following are required:

- 1) All members signing such petitions shall include their mailing address;
- 2) Each member's signature shall be dated as of the date of signing;
- 3) 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/her residence address, primary phone number and that he or she circulated the petition and is acquainted with the persons whose names are affixed and that such persons signed the petition in his/her presence.

ARTICLE II. DISTRICT MEETINGS

Section 1. Regular District Meetings.

- (a) Absent affirmative Board action to schedule district meetings for any upcoming year on or before December 1st of each year, district meetings shall not be held. In the absence of district meetings, members shall be notified of district election results by newsletter, magazine and or the cooperative's website.
- (b) If scheduled, regular district meetings may be attended by the members of the Cooperative and shall be held within the territorial boundaries of the respective districts not less than thirty (30), nor more than forty-five (45) 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.
- (c) The purpose of each district meeting shall be as follows:
 - 1) To announce director election results.
 - 2) For the board and management to report to the members.
 - 3) For the members of the district in which the meeting is being held to submit matters to the board for consideration.
- (d) The President, or the President's designee, shall preside at each district meeting.
- (e) The district Secretary shall be responsible for the preparation and certification of the minutes of such district meeting and shall forward such minutes to the Secretary of the Cooperative within two (2) weeks after the meeting.

Section 2. Special District Meetings.

- (a) Special district meetings may be called by at least five (5) directors of the Cooperative or upon written request signed by at least ten percent (10%) of the members of the district in which a special meeting is to be held.
- (b) If a special district meeting has been called, it shall be the duty of the Secretary of the Cooperative, or his/her designee, to cause notice of such meeting to be given.

- (c) A special district meeting shall be held at a time and place within the district as designated by the board.

Section 3. Notice.

- (a) 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.
- (b) If mailed, such notice shall be deemed to be delivered when deposited with the United States Postal Service, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage fully paid.
- (c) Publication in a newsletter or magazine mailed to each member's address as it appears on the records of the Cooperative is sufficient delivery for purposes of these bylaws.
- (d) The failure of any member to receive notice shall not invalidate actions taken by the members of the district at any such meeting.

Section 4. Quorum.

- (a) Ten (10) members of the district in which a regular or special meeting is being held, physically present, shall constitute a quorum for the transaction of business at district meetings.
- (b) If less than a quorum is present at any district meeting, a majority of those present may adjourn the meeting for another date and time without further notice. The Secretary of the Cooperative shall notify members of the time and place of the adjourned meeting in the manner set forth in Section 3 (a).

Section 5. Voting.

Each member of the district shall be entitled to one (1) vote on each matter submitted to a vote. All questions shall be decided by a majority of the members voting unless otherwise provided herein.

Section 6. Proxies.

There shall be no proxy voting at district meetings.

Section 7. Order of Business.

The order of business at regular district meetings and, where applicable, at all other district meetings, shall be as follows:

- (a) Report on the number of members present in person in order to determine the existence of a quorum;
- (b) Reading of the notice for the meeting with proof of publication or mailing, or waiver or waivers of notice of the meeting, as the case may be;
- (c) Reading the unapproved minutes of the previous district meeting and requests for action thereon. The reading of the minutes may be waived by a majority vote of the members present.
- (d) Report on director election results;

- (e) Presentation and consideration of reports;
- (f) Unfinished business;
- (g) New business
- (h) Adjournment

ARTICLE III. DIRECTORS

Section 1. Number.

The board shall consist of nine (9) directors. Each district shall elect one (1) director to the board of the Cooperative.

Section 2. Qualifications.

- (a) Each director shall be a member in good standing of the Cooperative within the district which he/she is to represent, shall be at least eighteen (18) years of age and shall not be in any way employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative.
- (b) "Member in good standing," shall mean a member who has and continues to fulfill the requirements for membership in the cooperative, and who is current on their electric bill and other fees or special charges due the Cooperative; and who has not had an uncollectable debt with the cooperative within the past five years.
- (c) Based upon the best Cooperative business practices, former Alger Delta Cooperative management employees are ineligible to serve as a Director of the Cooperative for four (4) years after his or her separation of employment.

Section 3. Nominations.

All nominations for directors, including incumbents, shall be made by petition according to the following procedure:

- (a) Interested members shall request an information packet and nominating petition form from the Cooperative. Nominating petitions shall be provided upon request.
- (b) The nominating petition shall be signed by a minimum of ten (10) members of the Cooperative who are members in the district which the candidate seeks to represent. Only signatures of members in good standing shall be valid. Signatures provided by joint members shall be deemed to be one signature.
- (c) The nominating petition shall be submitted to the Secretary of the Cooperative or his/her designee not less than sixty (60) days or more than ninety (90) days prior to the date of the election to be held in the District.
- (d) Within five (5) business days of receiving the petition, the Secretary or his/her designee shall do all of the following:
 - (a) Review the petition and verify that the signatories are members in good standing of the Cooperative in the district in which the election shall be held;
 - (b) Provide the candidate with a written acknowledgement of receipt of the petition;
 - (c) Notify the candidate of the number of valid signatures on the petition, and;
 - (d) Notify the candidate whether they have met all the requirements to stand for election.
- (e) The Secretary or his/her designee shall be the sole determiner of whether a candidate has met the requirements to stand for election.

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- (f) Any candidate who challenges the Secretary's or his/her designee's determination(s) with regards to nominations may appeal to the Board of Directors.

Section 4. Election.

- (a) The Secretary or his/her designee shall notify the members of the district in which an election is to be held of the names of all qualified candidates.
- (b) In the event only one qualified candidate submits a petition for any one district, an election shall not be held and the board shall declare the sole candidate the winner.
- (c) The Secretary or his/her designee shall distribute one ballot to each member eligible to vote.
 - (a) Ballots shall be delivered to members in a distinct mailing marked "BALLOT ENCLOSED". Ballots 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 fully paid.
 - (b) The Cooperative shall not be liable for lost, stolen, damaged or destroyed ballots.
- (d) Members shall submit their vote by marking their ballot and mailing the ballot to the Cooperative or its designee in the envelope provided for such purpose.
 - (a) Reproductions of ballots shall be rejected and shall not be included in the vote tally.
 - (b) Ballots received up to and including the date of the election shall be deemed valid.
 - (c) Ballots shall be counted by an independent third party selected by the Board of Directors.
 - (d) A Director shall be elected by the affirmative vote of not less than a plurality of the members voting in the election.
 - (e) The independent third party shall provide the results of the election to the Board President; the President's designee(s) and the CEO within five (5) business days following the election. Such provision of the election results may be made in person, telephonically, by email or by other electronic means approved by the Board of Directors.
 - (f) In case of a tie vote, at the first regular board meeting following the date of the election, the President or his/her designee shall flip a coin to determine the winner.

Section 5. Tenure

- (a) Directors shall serve a term of three (3) years or until his/her successor has been elected and seated on the board, except when filling a vacancy as described in Article III, Section 8.
- (b) Newly elected directors shall be seated on the board at the first regular board meeting following his/her election.
- (c) If the board shall reconstitute the territorial districts under Article 1, Section 4 of these Bylaws, such that an existing director no longer resides within that territorial district, such circumstance shall not affect the remaining term of that director nor cause a vacancy to occur.

Section 6. General Powers.

- (a) The business and affairs of the Cooperative shall be managed by the board which shall exercise all of the powers of the Cooperative except such powers conferred by law or by the Articles of Incorporation or by these Bylaws upon, or reserved to, the members.
- (b) The board shall have the power to make and adopt such rules, regulations, and policies not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem appropriate for the management, administration and regulation of the membership, business, and affairs of the Cooperative.

Section 7. Removal.

- (a) Any member may for cause bring charges against a director of the member's district by filing them in writing with the Secretary of the Cooperative or his/her designee, together with a petition signed by twenty five percent (25%) of the members in good standing of that district, requesting the removal of the director in question.
- (b) The petition shall state succinctly the reasons being alleged for the director's recall and be approved by the board as to form and clarity and proper purpose prior to the circulation. A petition may be rejected by the Board for lack of clarity or wrongful purpose. The Secretary of the Cooperative or his/her designee shall cause the signatures upon the petition to be verified as to the authenticity of signatures of membership.
- (c) The removal shall be voted upon at a special district meeting duly called for that purpose of the district in which the director in question resides.
- (d) The director against whom charges have been brought shall be informed in writing of the charges not less than thirty (30) days prior to the meeting and shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence after the person or persons bringing the charges against that director shall have had the same opportunity.
- (e) A director who is absent from three (3) regularly scheduled board meetings during the preceding twelve (12) months is subject to forfeiture of his/her position on the board. The Director shall be given an opportunity to address the board as to his/her absences at the Board's first regular meeting following the Director's third absence within twelve (12) months and the board may consider unusual or extenuating circumstances related to the absences and may take action, by a majority roll-call vote, to reinstate the absent director.
- (f) Notwithstanding (e), a director who is absent from three (3) consecutive regular board meetings, for whatever reason, including an extended illness or other disability shall be removed as a director, unless otherwise determined by the Board of Directors.

Section 8. Vacancies.

- (a) Vacancies occurring on the board may be filled by a majority vote of the remaining directors. The director(s) thus elected shall serve for the remaining term of the director(s) whom they are elected to replace or until their successors have been elected.

- (b) The board may conduct an election as described in Section 4 or may call a special meeting of the members of the district for the election of a director to fill a vacancy.

Section 9. Compensation.

Directors shall not receive any salary for their services, but by resolution of the board may receive a fixed sum plus expenses, if any, for travel days only in excess of 4 hours and attendance at Cooperative business. Except in emergencies, neither director(s) nor close relative(s) of any director(s) shall receive compensation for serving the Cooperative in any other capacity.

Section 10. 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.

Section 11. Board Committees.

The Board may, from time to time, provide for the creation, membership, and operation of various committees.

ARTICLE IV. ANNUAL MEETING AND SPECIAL MEETINGS OF THE MEMBERSHIP

Section 1. Annual Meetings.

- (a) The annual meeting of the Cooperative may be attended by all members, directors, officers and employees of the Cooperative and shall be held on the third Wednesday of the month of June each year, at a place and time within the territorial limits of the Cooperative as the board shall determine.
- (b) The board may fix a different date for the annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section.

Section 2. Special Meetings.

A special meeting may be called by at least five (5) directors or upon the written petition signed by at least ten percent (10%) of the members of the Cooperative. If a special meeting is called, the Secretary of the Cooperative or his/her designee shall notice such meeting as provided in Section 3 of this Article.

Section 3. Notice.

- (a) 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, or otherwise provided herein, by or at the direction of the Secretary of the Cooperative or his/her designee, to each member of the Cooperative.

- (b) 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 fully prepaid.
- (c) Publication in a newsletter or magazine mailed to each member's address as it appears on the records of the Cooperative is sufficient delivery for purposes of these bylaws.
- (d) 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 4. Quorum.

Fifty (50) members physically present shall constitute a quorum for the transaction of business at any annual or special meeting of the Cooperative.

Section 5. Voting.

At all annual or special meetings of the Cooperative, all questions shall be decided by a majority of the members voting thereon.

Section 6. Proxy Voting.

Proxy voting is prohibited.

Section 7. Order of Business.

- (a) The President, or the President's designee, shall preside at all annual or special meetings of the Cooperative.
- (b) The order of business at the annual meeting of the Cooperative shall be essentially as follows:
 - (a) Reporting of the number of members physically present in person in order to determine the existence of a quorum;
 - (b) Reading of the notice of the meeting with proof of publication or mailing of, or the waiver or waivers of notice of the meeting, as the case may be;
 - (c) Reading of the unapproved minutes of the previous annual or special meeting for necessary action. The reading of the minutes may be waived by a majority vote of the members present.
 - (d) Recognition of directors;
 - (e) Presentation and consideration of reports;
 - (f) Unfinished business;
 - (g) New business; and
 - (h) Adjournment.

ARTICLE V. MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

- (a) A regular meeting of the board shall be held 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. This regular meeting shall be noticed in conjunction with notice of the Cooperative's annual meeting.

- (b) A regular meeting of the board shall be held monthly at such date, time and place as the board may provide by resolution. Such regular monthly meeting may be held without notice other than by such resolution fixing the date, time and place, except when business to be transacted shall require special notice.

Section 2. Special Meetings.

Special meetings of the board may be called by the President or any five (5) directors. The person or persons authorized to call special meetings of the board may fix the time and place for holding of a special meeting of the board. The meeting shall be held within the jurisdiction of the Cooperative.

Section 3. Notice.

- (a) Written or printed notice of the date, time, place, and purpose of any special meeting of the board shall be given at least seven (10) calendar days in advance of the meeting, delivered personally, by mail, and/or by electronic means to each director at the director's last known mailing or email address as it appears on the records of the Cooperative.
- (b) If mailed such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage fully paid. If emailed, such notice shall be deemed to be delivered when the sender receives electronic delivery confirmation.
- (c) The attendance of a director at any special meeting shall constitute waiver of notice of the meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business on the grounds that the meeting shall not have been lawfully called or convened.

Section 4. Quorum.

- (a) The presence in person or virtually of a majority of the board shall constitute a quorum for the transaction of business at any meeting of the board.
- (b) If less than a quorum is present at a meeting, a majority of the directors' present may adjourn the meeting without further notice.
- (c) Nevertheless, a Director is required to be physically present at eight (8) regularly scheduled board meetings each year unless otherwise determined by the Board of Directors.

Section 5. Voting.

Except as provided in Article I, Section 9 and Article XV, all questions shall be decided by a majority vote of the directors.

Section 6. Proxy Voting.

Proxy voting shall not be allowed at meetings of directors.

Section 7. Action by Unanimous Consent.

- (a) Any action required or permitted to be taken pursuant to board authorization may be taken without a meeting if, before or after the action, all directors' consent to the action in writing.

- (b) Written consent resolutions, or actions taken by written consent as authorized, shall be filed with the minutes of the board's proceedings, and shall have the same effect as a vote of the board for all purposes.

Section 8. Contracts Between Cooperative and Related Persons.

- (a) Any contract or other transaction between the Cooperative and one (1) or more of its directors, or between the Cooperative and any firm of which one (1) or more of its directors are members or employees, or in which one or more of its directors are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the board acting upon or in reference to such contract or transaction, if the fact of such interest shall be disclosed by the conflicted director(s) the board shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the directors eligible to vote.
- (b) Interested or conflicted director(s) shall refrain from participating in the discussion of the motion and shall abstain from voting on the motion.

ARTICLE VI. OFFICERS

Section 1. Number & Title.

The officers of the Cooperative shall be President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the board. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election.

The officers shall be elected by ballot by the board at the first meeting of the board held after the annual meeting of the Cooperative.

Section 3. Tenure.

Each officer shall hold office until the first meeting of the board following the annual meeting of the Cooperative or until the officer's successor shall have been elected.

Section 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.

Section 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 6. President.

The President shall:

- (a) Be the principal executive officer of the Cooperative and shall preside at all meetings of the board.
- (b) 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 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.

- (c) In general, perform all duties incident to the office of President and such other duties as may be presented by the board from time to time.

Section 7. Vice-President.

The Vice-President shall:

- (a) In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President.
- (b) When so acting, the Vice President shall have all the powers of and be subject to all the restrictions upon the President.

Section 8. Secretary.

The Secretary, or the Secretary's designee, shall:

- (a) Keep the minutes of meetings of the board in one (1) or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these bylaws or as required by law;
- (c) Be custodian of the seal of the Cooperative and ensure that the seal of the Cooperative is affixed to all documents executed on behalf of the Cooperative, as required or authorized by the provisions of these bylaws;
- (d) Keep a register of the name and address of each member of the Cooperative as provided to the Cooperative by a member;
- (e) Have general charge of the books and accounts of the Cooperative;
- (f) Keep on file at all times a current complete copy of the Bylaws of the Cooperative, which copy shall 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
- (g) 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. Treasurer.

The Treasurer, or the Treasurer's designee, shall perform all the duties incident to the office of Treasurer.

Section 10. Bonds.

The board, at its sole discretion, may require an officer, agent or employee of the Cooperative to provide 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 11. Compensation.

The additional compensation, if any, of an officer of the board of the Cooperative shall be determined by the members of the Cooperative or by the affirmative vote of a majority of the directors not involved therein.

Section 12. Reports.

The officers of the Cooperative, or their designee(s) may submit at each annual meeting of the Cooperative reports covering the business of the Cooperative for the previous fiscal year and the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII. WAIVER OF NOTICE

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

ARTICLE VIII. CONTRACTS, CHECKS & DEPOSITS

Section 1. Contracts.

- (a) 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 of and on behalf of the Cooperative,
- (b) Such authority may be general or confined to specific instances.

Section 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 3. Deposits and Investments.

All funds of the Cooperative shall be timely deposited or invested, except for authorized petty cash funds, to the credit of the Cooperative in such financial institutions or secure investments as approved by the board.

ARTICLE IX. INDEMNIFICATION

Section 1. Nonderivative Actions

- (a) Subject to all other provisions of this article, the Cooperative shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding related to his or her Cooperative responsibilities. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Cooperative).
- (b) Such indemnification shall apply only to a person who was or is a director or officer of the Cooperative, or who was or is serving at the request of the Cooperative as a director, officer, trustee, employee, or agent of the Cooperative.
- (c) The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement which are reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Cooperative or its members.

- (d) With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his/her conduct was unlawful.
- (e) The termination of any action, suit, or proceeding by judgment, order, settlement, criminal conviction, or a plea of nolo contendere or its equivalent, shall not by itself create a presumption that
 - 1) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Cooperative or its members, or
 - 2) With respect to any criminal action or proceeding, the person had reasonable cause to believe that his/her conduct was unlawful.

Section 2. Derivative Actions.

- (a) Subject to all of the provisions of this article, the Cooperative shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Cooperative to procure a judgment in its favor because the person was or is serving at the request of the Cooperative as a director, officer, trustee, employee, or agent of the Cooperative.
- (b) The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Cooperative or its members.
- (c) However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable to the Cooperative unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3. Insurance.

The Cooperative shall purchase insurance to provide for indemnification as set forth in this article.

ARTICLE X. NONPROFIT OPERATION

Section 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 members and patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members and patrons.

Section 2. Patronage Capital In Connection With Furnishing Electric Power and Energy.

- (a) In the furnishing of electric power and energy the Cooperative's operations shall be so conducted that all members and patrons will, through their patronage, furnish capital for the Cooperative. 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 members and 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.

- (b) 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 members and patrons as capital. The Cooperative is obligated to allocate by credits to a capital account for each member and 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 member and patron is clearly reflected and credited in an appropriate record to the capital account of each member and patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member and patron of the amount of capital so credited to the member's and patron's account; provided, however, that individual notices of such amounts furnished by each member and patron shall not be required if the Cooperative notifies all members and patrons of the aggregate amount of such excess and provides a clear explanation of how each member and patron may compute and determine the specific amount of capital so credited to that member and patron. All such amounts credited to the capital account of any member and patron shall have the same status as though they had been paid to the member and patron in cash in pursuance of a legal obligation to do so and the member and patron had then furnished the Cooperative corresponding amounts of capital.
- (c) 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 members and patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members and patrons, as herein provided.
- (d) 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, the capital then credited to member's and patron's 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, priority and order of retirement, if any, for all amounts thereafter furnished as capital. The board shall also determine the method for appointment of losses, if any.
- (e) Capital credited to the account of each member and 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 member's and patron's premises and facilities served by the Cooperative unless the board acting under policies of general application, shall determine otherwise.

- (f) Notwithstanding any other provisions of these bylaws, the board, at its discretion, shall have the power at any time upon the death of any member and 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 member and patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to such member and patron immediately upon such terms and conditions as the board, acting under the policies of general application, and the legal representatives of such member's and patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired; 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 retired in the next succeeding year before any other retirements are made in such succeeding year.
- (g) Any amounts allocated from net savings and credits to the member capital of a non-member patron shall be added to the general funds of the Cooperative, and thereafter the non-member patron shall have no further rights therein, if the nonmember patron does not comply with all the provisions of these bylaws concerning admissions to membership within 90 days of the date of receipt of first service from this Cooperative.
- (h) The members and 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 a contract between the Cooperative and each member and patron, and both the Cooperative and the members and patrons are bound by such contract, as fully as though each member and patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each member and patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE XI. UNCLAIMED FUNDS

Any capital credits, patronage refunds, utility deposits, membership fees, account balances 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 or patron entitled to same, shall be added to the general funds of the Cooperative and the member or patron shall have no claim to said funds.

ARTICLE XII. DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property 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 undertakings, in which the Cooperative holds a membership or any other financial institution under arrangements not objected to by the REA Administrator; or by the Michigan Public Service Commission if required by law or regulation.

ARTICLE XIII. FISCAL YEAR

Section 1. Fiscal Year.

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

Section 2. Annual Audits

- (a) 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.
- (b) A full and accurate summary of such audit reports shall be submitted to the members at or prior to the annual meeting of the Cooperative.

ARTICLE XIV. SEAL

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

ARTICLE XV. AMENDMENTS

- (a) The articles of incorporation may be modified pursuant to law.
- (b) The bylaws may be altered, amended or repealed by the affirmative vote of two-thirds (2/3) of the members of the board at any regular or special board meeting provided that notice of such proposed alteration, amendment or repeal shall have been given to the members together with the notice of any meeting where such action is to be considered.
- (c) A member may submit a petition in accordance with Article I, Section 11 requesting the Board of Directors to consider a proposed bylaw amendment or new bylaw, which shall be considered by the Board of Directors at the next board meeting.

- (d) Prior to board action on proposed new bylaws, modifications, or amendments to the existing bylaws, reasonable notice shall be provided to members of the proposals together with notice of the board meeting when said changes will be considered.
- (e) The board shall not make, alter or repeal any provision fixing their qualifications, classifications or term of office; nor shall the board alter, amend or repeal member voting rights, member capital, merger, consolidation, or disposition of all or substantially all of the assets of the Corporation. In addition, the board shall not for at least a period of two (2) years alter, amend or repeal any provision altered, amended or repealed by the members of the Cooperative.

ARTICLE XVI. STATEMENT OF ORGANIZATION & PURPOSE

This corporation is a cooperative subject to the Consumer Cooperative Act (1984 P.A. 209) and was initially organized under the Michigan General Corporation Act (1931 P.A. 327). The purpose of becoming a member of a cooperative is to assure access to the goods, services, and facilities of the cooperative and not to gain profit.