



BYLAWS

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TABLE OF CONTENTS

| | |
|---|----|
| Article I - Members | 1 |
| Section 1. Qualification | 1 |
| Section 2. Joint Membership | 2 |
| Section 3. Membership by Governmental Agencies | 4 |
| Section 4. Purchase and Production of Electric Power and Energy | 4 |
| Section 5. Leasing of Fiber by a Qualified Member | 5 |
| Section 6. Acceptance into Membership | 5 |
| Section 7. Members' Responsibilities | 5 |
| Section 8. Termination of Membership | 7 |
| Section 9. Right of Way Easements | 7 |
| Section 10. Petitions | 8 |
| | |
| Article II - Directors | 9 |
| Section 1. Number and Districts | 9 |
| Section 2. Qualifications | 10 |
| Section 3. Nominations | 10 |
| Section 4. Election | 11 |
| Section 5. Tenure | 11 |
| Section 6. General Powers | 12 |
| Section 7. Removal | 13 |
| Section 8. Vacancies | 13 |
| Section 9. Per Diem and Benefits | 14 |
| Section 10. Close Relative Defined | 14 |
| Section 11. Accounting System and Reports | 14 |
| Section 12. Committees | 14 |
| | |
| Article III - Annual Meetings | 15 |
| Section 1. Annual Meetings | 15 |
| Section 2. Special Meetings | 15 |
| Section 3. Non-Business Meetings | 15 |
| Section 4. Notice | 15 |
| Section 5. Quorum | 16 |
| Section 6. Voting | 16 |
| Section 7. Proxies | 16 |
| Section 8. Ballots | 16 |
| Section 9. Order of Business | 17 |

| | |
|---|----|
| Article IV - Meetings of Directors | 18 |
| Section 1. Regular Meetings | 18 |
| Section 2. Special Meetings | 18 |
| Section 3. Notice | 19 |
| Section 4. Quorum | 19 |
| Section 5. Voting | 19 |
| Section 6. Proxies | 19 |
| Section 7. Contracts Between Cooperative and Related Persons | 19 |
| Article V - Officers | 20 |
| Section 1. Number and Title | 20 |
| Section 2. Election/Appointment | 20 |
| Section 3. Tenure | 20 |
| Section 4. Removal | 20 |
| Section 5. Vacancies | 20 |
| Section 6. Chairperson | 21 |
| Section 7. Vice-Chairperson | 21 |
| Section 8. Secretary | 21 |
| Section 9. Treasurer | 22 |
| Section 10. President/Chief Executive Officer | 22 |
| Section 11. Vice President/Chief Financial Officer | 23 |
| Section 12. Bonds | 23 |
| Section 13. Compensation | 23 |
| Section 14. Reports | 23 |
| Article VI - Waiver of Notice | 23 |
| Article VII - Robert's Rules of Order | 24 |
| Article VIII - Contracts, Checks and Deposits | 24 |
| Section 1. Contracts | 24 |
| Section 2. Checks, Drafts, Etc. | 24 |
| Section 3. Deposits and Investments | 24 |
| Article IX - Indemnification | 24 |
| Article X - Nonprofit Operation | 25 |
| Section 1. Interest or Dividends on Capital Prohibited..... | 25 |
| Section 2. Member Capital in Connection with Furnishing Electric Power and Energy..... | 25 |
| Section 3. Patronage Refunds in Connection with Furnishing Other Services..... | 27 |
| Article XI - Unclaimed Funds..... | 28 |
| Article XII - Fiscal Year | 28 |

| | |
|--------------------------------|----|
| Article XIII - Seal | 28 |
| Article XIV - Amendments..... | 28 |
| Section 1. Proposals | 28 |
| Section 2. Required Vote | 28 |

**BYLAWS
OF
GREAT LAKES ENERGY COOPERATIVE**

**Article I
MEMBERS**

Section 1. Qualification. (a) Any natural person, firm, association, corporation, partnership or governmental unit (each hereinafter referred to as "person") may become a member of Great Lakes Energy Cooperative (hereinafter referred to as the "Cooperative") by:

(1) Paying any security deposit, service connection deposit or fee, facilities extension deposit, contribution in aid of construction, and any other fee or charge or any combination thereof, as required by the Cooperative; and

(2) Purchasing from the Cooperative electric power and energy; and

(3) Agreeing to comply with and be bound by the Cooperative's Articles of Incorporation, these Bylaws and any amendments thereto and such rules and regulations including educational and cooperative relations programs as may from time to time be adopted by the Cooperative's Board of Directors (hereinafter referred to as the "Board").

(b) Reasonable notice of the qualifications for membership set forth in subsection (a) of this Section 1 shall be given to all patrons of the Cooperative.

(c) Prior to a person's acceptance into membership, the cooperative shall give the prospective member written notices of the Cooperative's basis of organization, purposes, membership rights and membership transfer restrictions as provided by law. A statement of the

Cooperative's basis of organization, membership rights and membership transfer restrictions shall also be conspicuously stated on each membership certificate as provided by law.

(d) While a person may receive electric service at more than one premise, no person shall hold more than one voting membership in the Cooperative.

(e) Each non-natural member shall designate its representative to the Cooperative on its stationery signed by its chief executive officer and file such designation with the Cooperative. Said representative shall be eligible to vote and run for elective office, if all other qualifications are met, on behalf of the non-natural member.

Section 2. Joint Membership. (a) Cohabiting adult persons must hold a joint membership or, if one of them is already a member, must convert such membership into a joint membership and, subject to compliance with the requirements set forth in Section 1 and 7 of this article, be accepted for such membership. The term "member" as used in these Bylaws, shall be deemed to include cohabiting adult persons holding a joint membership, and any provision relating to the rights and liabilities of membership shall apply equally to holders of a joint membership.

(b) 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:

- (1) The presence at a meeting of any shall be regarded as the presence of the member;
- (2) The presence at a meeting of any shall constitute a waiver of notice of the meeting by all others;
- (3) The presence at a meeting of any shall effect a revocation of any proxy executed by any or all;
- (4) The vote of any, either separately or jointly, shall constitute notice to all;

- (5) A waiver of notice signed by any shall constitute notice to all;
- (6) Notice to any shall constitute notice to all;
- (7) Termination of any may terminate the joint membership;
- (8) Withdrawal of any may terminate the joint membership;
- (9) Any, but not more than one concurrently, shall be eligible to serve as a director of the Cooperative. Only the member to serve as director must meet the qualifications required therefore;
- (10) Upon the death of any member of a joint membership, such membership shall continue to be held solely by the survivor(s), in the same manner and to the same effect as though the deceased had never been a member; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative. If more than two constitute a joint membership, the membership shall continue joint until a sole survivorship;
- (11) Upon the legal separation, dissolution, 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, however, that the other shall not be released from any debts due the Cooperative.
- (12) An individual member or individual members of a joint membership shall not be permitted to have an additional residential service connection except through their joint membership; provided, however, that this subsection shall not prevent the establishment of an additional commercial service connection in the name of an individual member independent of any joint membership to which that member is a party.

Section 3. Membership by Governmental Agencies. The Board, in its discretion, may or may not require membership of a governmental unit or agency as a condition to obtain service.

Section 4. Purchase and Production of Electric Power and Energy. (a) Each member shall, as soon as electric power and energy shall be available, purchase from the Cooperative all central station 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 therefore at rates, which shall from time to time be fixed by the Board. 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 shall be credited in accordance with Article X. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric power and energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

When a member has more than one service connection from the Cooperative, any payment by the member for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to the member's outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual account procedures do not reflect such allocation and proration.

(b) Production or use of electrical energy on a member's premises, regardless of the source thereof, by means of facilities, which shall be interconnected with the Cooperative facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

(c) The Cooperative shall use reasonably diligent efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof.

(d) With respect to any particular classification of service for which the Board shall require it, a supplemental contract, executed by the person, may be required.

Section 5. Leasing of Fiber by a Qualified Member. The Cooperative may lease access to Cooperative-owned fiber optic facilities to a qualified member. A qualified member is any member engaged in the business of providing fiber-based broadband and related telecommunications services.

Section 6. Acceptance into Membership. (a) Upon complying with the requirements set forth in Section 1 of this Article, any person shall be accepted into membership in, and become eligible to receive electric service from, the Cooperative, unless the Board shall determine that such person is unwilling or is unable to satisfy and abide by the Cooperative's rules and regulations or that membership should be rejected for other good cause.

(b) In the event that membership is rejected by the Board, the Cooperative shall refund, in full, any fees and charges collected from the person less any amounts owed to the Cooperative.

Section 7. Members' Responsibilities. (a) Each member shall cause all premises receiving electric service from the Cooperative to become and remain 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 directors, officers, employees, agents and independent contractors against death, injury, loss or damage resulting from any defect or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon.

(c) Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereupon to place 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 access thereto safely and without interference from any hostile source for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times.

(d) As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use best efforts to prevent others from so doing.

(e) Each member shall also provide such protective devices and apparatus as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and operations, and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in the operation 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 directors, officers, 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. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or error occurring in the Cooperative's billing procedures.

(f) In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

(g) Each member may participate in any required program that may be established by the Cooperative to enhance load management, to more efficiently conserve electric energy, or to conduct load research.

Section 8. Termination of Membership. (a) Membership in the Cooperative shall not be transferable. Provided, however, that upon death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate.

(b) 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, title and interest of the member in the property and assets of the Cooperative.

(c) Upon the dissolution for any reason of a 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 to occupy or use the premises 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 by different partners; provided, however, that neither a withdrawing partner nor a withdrawing partner's estate shall be released from any debts then due the Cooperative.

(d) Membership in the Cooperative shall automatically terminate, and all rights of membership shall cease, upon (i) a member moving from the Cooperative's service territory, (ii) failure to purchase all electric power and energy required for premises owned or occupied by the member within the Cooperative's service territory or (iii) failure to timely pay any fees or charges due to the Cooperative following reasonable notice of nonpayment; provided, however that such automatic termination shall not release such member for any debts owing to the Cooperative.

Section 9. Right of Way Easements. (a) Each member shall grant to the Cooperative, without compensation therefore, all easements or rights of way over, on and under such lands owned or leased by or mortgaged by the member in accordance with such reasonable terms and conditions

as the Cooperative shall require for the furnishing of electric and/or telecommunications and broadband service for the member and for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Section 10. Petitions. Petitions by the membership authorized under these Bylaws shall be on forms prepared and available from the Secretary of the Cooperative.

With regard to such petitions, the following are required:

(a) All members signing such petitions shall include thereon their mailing address, primary phone number, and date signed;

(b) Co-signers of a joint membership shall count as one signature;

(c) 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 is acquainted with the persons whose names are affixed thereto and that such persons signed the petition in his or her presence; failure to do so will invalidate each petition sheet where incomplete information exists;

(d) All petitions shall be signed no more than ninety (90) days prior to submission to the Cooperative;

(e) Signatures lacking complete information as herein specified shall be disqualified; and

(f) The Secretary of the Cooperative shall cause the signatures upon the petition to be verified as to authenticity of membership and shall accept only those signatures so verified.

Article II
DIRECTORS

Section 1. Number and Districts.

- (a) The board of directors shall consist of nine (9) directors.
- (b) The territory served by the Cooperative shall be divided into the following nine (9) districts:
 - District No. 1: Emmet County
 - District No. 2: Charlevoix and Cheboygan Counties
 - District No. 3: Antrim County
 - District No. 4: Otsego, Montmorency, Oscoda and Crawford Counties
 - District No. 5: Grand Traverse, Kalkaska, Manistee, Missaukee and Wexford Counties
 - District No. 6: Mason and Lake Counties
 - District No. 7: Oceana and Muskegon Counties
 - District No. 8: Osceola, Clare, Newaygo and Mecosta Counties
 - District No. 9: Ottawa, Kent, Montcalm, Allegan and Barry Counties
- (c) Each district shall be represented by one director who shall maintain his/her primary residence in the district represented.
- (d) Periodically, the board shall review the composition of the districts and, if it should be determined that inequities in representation have developed which can be corrected by reconstitution of the districts, the board shall reconstitute the districts so that each district is equitably represented if possible.

Section 2. Qualifications. Each director shall, at all times, be a member in good standing of the Cooperative and maintain his/her primary residence in the Cooperative's service area, shall have the legal capacity to enter into a contract, and may not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or of a business primarily engaged in selling electrical appliances, fixtures or supplies to the members of the Cooperative, nor shall they be an employee of the Cooperative. No person shall be eligible to become or remain a director while an employee of the Cooperative, or a wholly owned affiliate of the Cooperative. Except for those specific situations existing on the date these Bylaws are adopted, no person shall be eligible to be a candidate or shall hold office as a director who has a close relative who is an employee of the Cooperative or a wholly owned affiliate of the Cooperative. No Director shall be employed by the Cooperative, or a wholly owned affiliate of the Cooperative, within one (1) year of the expiration or termination of such Director's term.

Section 3. Nominations. (a) All candidates shall be nominated by petition. Any fifty (50) or more members of a district may make nominations for the positions of Board member for that district by petition, and the Secretary shall post such nominations at the principal office of the Cooperative no less than sixty (60) days before a meeting of the members at which Board members are to be elected.

(b) Nominations made by petition must be submitted no more than ninety (90) days and no less than seventy-five (75) days prior to the annual meeting of the membership to be included on the official ballot. (See Article I, Section 9, Petitions)

(c) Each candidate shall complete and file with the Cooperative an affidavit in a form prepared by the Secretary attesting to the candidate's qualifications to serve as a director. The affidavit shall be submitted to the Cooperative with the completed nomination petitions.

(d) At least ten (10) days before the date of a meeting of the members at which Board members are to be elected, the Secretary shall be responsible for mailing with the notice of the meeting separately, a statement of the number of Board members to be elected and the names and addresses of the candidates properly nominated.

(e) Said election shall then be held by secret ballot upon ballots provided by the Cooperative. (See Article II, Section 4, Election)

Section 4. Election. (a) All directors shall be elected at the annual meeting of the membership by an affirmative vote of a plurality of the members voting by mail ballot (or electronic transmission ballot, if electronic transmission is authorized by the board of directors). Drawing by lot shall resolve, where necessary, any tie votes.

(b) Directors shall be elected by district and by the cooperative members eligible to vote in each district.

(c) Any member receiving electric service in more than one district shall be entitled to vote in only one district.

Section 5. Tenure. (a) Except as provided for in Subsection (b), the directors elected at the annual meeting of the membership to succeed those directors whose terms of office have expired shall serve a term of three (3) years or until their successors have been elected and shall have qualified.

(b) The Board shall stagger the terms of the directors so that one-third of the directors shall be elected each calendar year. For years starting on and after January 1, 2014, the terms of the directors shall be set forth below, with successive elections being for three year terms:

District No. 1: Term Ending August 2015

District No. 2: Term Ending August 2015

District No. 3: Term Ending August 2014

District No. 4: Term Ending August 2014

District No. 5: Term Ending August 2014

District No. 6: Term Ending August 2016

District No. 7: Term Ending August 2015

District No. 8: Term Ending August 2016

District No. 9: Term Ending August 2016

(c) Directors currently serving as of January 1, 2014 may continue their terms through the dates listed in subsection (b) for the remainder of their terms.

Section 6. General Powers. 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 are as by law or by the Articles of Incorporation or by these Bylaws, conferred upon or reserved to the members. 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 advisable for the management, administration and regulation of the membership, business, and affairs of the Cooperative.

Section 7. Removal. Any member may for cause bring charges against a director by filing them in writing with the Secretary of the Cooperative, together with a petition requesting the removal of the director in question signed by twenty-five per centum (25%) of the members of the director's district. The petition shall state succinctly the reasons being alleged for the director's removal and be approved by the Board as to form and clarity prior to circulation. (See Article I, Sec. 10, Petitions.) The removal vote by the members of the district shall be at the next regular or special meeting of the membership.

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.

Any special meeting called, in response to charges as set forth in the petition filed with the Secretary, shall adhere only to those charges. Where charges are filed against more than one director, a separate and distinct petition must be filed for each director who may be involved.

Section 8. Vacancies. (a) Vacancies occurring in the Board may be filled by a majority vote of the remaining directors for a member qualifying for the vacancy. The directors thus elected shall serve for the remaining term of the director whom they are elected to replace or until their successors have been elected and shall have qualified. A removed director may not be elected to serve that director's own remaining term.

(b) A vacancy on the Board shall occur when the Board determines by 2/3 vote a director has ceased to meet all of the qualifications for being a director as set forth in Sections 1 and 2 of this Article II.

Section 9. Per Diem and Benefits. Directors shall not receive any salary for their services but, by resolution of the Board, a fixed sum and expenses for attendance at Cooperative business and retirement and insurance benefits may be paid or provided. Except in emergencies, no director nor close relative of a director shall receive compensation for serving the Cooperative in any other capacity unless such compensation shall be specifically authorized by a vote of the members or by the affirmative vote of the majority of the directors not involved therein.

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, and, uncle, aunt, nephew, or niece of the principal.

Section 11. Accounting System and Reports. 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 members at or prior to the annual meeting of the Cooperative.

Section 12. Committees. The Board of Directors by resolution adopted by the affirmative vote of a majority of the members of the Board of Directors may designate one or more committees, each committee to act in a manner consistent with the duties designated to it by the Board of Directors. The Chairman of the Cooperative shall appoint the members to each committee established. All voting members of each Committee shall be members of the Cooperative Board of Directors. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors or the President/Chief Executive Officer of its activities as the Board of Directors may require.

Article III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meetings of the Cooperative may be attended by all members, directors and officers of the Cooperative and be held each year, on a date as the board shall determine, at such place and time within the Cooperative's service area or other location as the Board shall determine. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings may be called by at least three (3) directors, the Chairperson or upon a petition signed by at least ten per centum (10%) of the members of the Cooperative. If such a special meeting is called, it shall be the duty of the Secretary of the Cooperative to cause notice of such meeting to be given as provided in Section 4 of this Article.

Section 3. Non-Business Meetings. Non-business meetings of members may be held in various regions of the service area of the Cooperative for social and informational purposes. Such meetings may be held at times and places determined by the Board and are not subject to the notice requirements outlined in Section 4 of this Article. Members may not vote on any issue at such meetings.

Section 4. 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 member of the Cooperative. If mailed, such notices 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. The failure of any member to receive notice shall not invalidate any action which may be taken by the members at any such meeting.

Section 5. Quorum. Fifty (50) members present in person or by proxy shall constitute a quorum for the transaction of business at any annual or special meeting of the Cooperative.

Section 6. Voting. At all meetings of the Cooperative, all questions shall be decided by a majority of votes cast by the members entitled to vote thereon, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

Section 7. Proxies. There shall be no proxy voting, except on those questions the Board determines necessary. In any case, at no time may more than five (5) proxies be voted by any one (1) person at any meeting.

Section 8. Ballots. Any member who intends to be absent from an annual meeting or special meeting of the members, and who has not executed his proxy as provided in the preceding section, may vote by mail or electronic transmission, if such transmission is so authorized by the board of directors upon any proposition, motion or resolution for which a ballot has been furnished by the Secretary in accordance with these Bylaws. Members shall vote by mail or electronic transmission, if such transmission is so authorized by the board of directors for the election of directors. The election results shall be announced at the annual meeting. Each member of the Cooperative shall be afforded the opportunity, subject to the procedure in this section provided, to vote by mail or electronic transmission, if such transmission is so authorized by the board of directors upon any motion or resolution placed on the ballot by the Board of Directors. The Board of Directors may, in its discretion from time to time, determine by resolution to submit other motions, resolutions or propositions to the membership for vote.

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 returned to the Secretary or the Board of Directors' designee not later than three (3) business days preceding any annual or special meeting or at any other time as determined by the Board. Electronic transmission ballots, if authorized by the board of directors, should be electronically signed and be submitted in accordance with the procedures set forth by the board of directors.

No member of the Cooperative who has voted by mail or electronic transmission shall vote again either in person or by proxy on any matter included in the mail or electronic ballot furnished by the Secretary for such meeting. Any such member may, however, vote at the meeting in person on any matter properly brought before the meeting which was not included in the mail or electronic ballot.

The board of directors may, in its sole discretion, decide when voting by electronic transmission shall be authorized or allowed, as well as the procedures to be used for such electronic transmission of member votes (subject only to applicable law). Nothing in these Bylaws or the Articles of Incorporation is intended to be, or should be construed as, a guarantee that electronic transmission of votes will take place, or be authorized or allowed for any particular matter or election.

Section 9. Order of Business. The Chairperson, or the Chairperson's designee, shall preside at all meetings of the Cooperative. The order of business at the annual meeting of the Cooperative and, so far as possible, at all special meetings of the Cooperative, shall be essentially 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 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;

- (c) Reading of unapproved minutes of previous meetings (unless waived by vote of the members present) and the taking of necessary action thereon;
- (d) Presentation and consideration of reports;
- (e) Election of directors;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

Article IV

MEETINGS OF DIRECTORS

Section 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 sites as designated by the Board in advance of the annual meeting of the Cooperative. The Board shall conduct a minimum of ten (10) regular Board Meetings per year at such date, time and place as the Board may provide. Such regular Board Meetings 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 special notice.

Section 2. Special Meetings. Special meetings of the Board may be called by the President, Chairperson 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 3. Notice. Written or printed notice of the date, time, place, and purpose of any special meeting of the Board shall be given at least five (5) days previous thereto, delivered personally or by mail to each director at the director's last known address as it appears on the records of the Cooperative. If mailed such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon fully prepaid. 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 4. Quorum. The presence of a majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, provided, however, 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 5. Voting. All questions shall be decided by a majority vote of the directors present at a meeting at which a quorum is present.

Section 6. Proxies. Proxy voting shall not be allowed at meetings of directors.

Section 7. Contracts Between Cooperative and Related Persons. 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 of the Cooperative which acts upon or in reference to such contract or transaction, and notwithstanding the directors' or director's participation in such action, if the fact of such interest shall be disclosed or known to the Board and the Board shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the directors present,

such interested director or directors to be counted in determining whether a quorum is present, but not to be counted as voting upon the matter or in calculating the majority of such quorum necessary to carry such vote.

Article V

OFFICERS

Section 1. Number and Title. The officers of the Cooperative shall be Chairperson, Vice-Chairperson, Secretary, Treasurer, President/Chief Executive Officer, Vice President/Chief Financial Officer 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 2. Election/Appointment. 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; provided, however, the Board may appoint a President/Chief Executive Officer, a Vice President/Chief Financial Officer and other officers who may be, but who shall not be required to be, a director or member of the Cooperative.

Section 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 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 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. Chairperson. The Chairperson shall:

(a) Be the principal executive officer of the Cooperative and shall preside at all meetings of the Board and of the membership.

(b) Sign, with the Secretary, 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.

(c) In general perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board from time to time.

Section 7. Vice-Chairperson. In the absence of the Chairperson, or in the event of the Chairperson's inability or refusal to act, the Vice-Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairperson and shall perform such other duties as from time to time may be assigned to the Vice-Chairperson by the Board.

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 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;

(d) Keep a register of the name and address of each member of the Cooperative, which address shall be furnished to the Cooperative, which address shall be furnished to the Cooperative by such 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 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

(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:

(a) Have general charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) 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

(c) 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 10. President/Chief Executive Officer. The President/Chief Executive Officer shall be the chief executive officer of the Cooperative. The President/Chief Executive Officer shall have the general powers of supervision and management over the day-to-day operations of the Cooperative and shall perform such other duties as the Board may from time to time require and shall have such authority as the Board may from time to time vest in the office.

Section 11. Vice President/Chief Financial Officer. The Vice President/Chief Financial Officer shall be the chief financial officer of the Cooperative. The Vice President/Chief Financial Officer shall perform such other duties as the President/Chief Executive Officer or the Board may from time to time require and shall have such authority as the President/Chief Executive Officer or the Board may from time to time vest in the office.

Section 12. Bonds. The Board shall 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 13. Compensation. The compensation, if any, of any officer of the Cooperative, or any close relative of any officer, shall be determined by the affirmative vote of a majority of the directors not involved therein.

Section 14. 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.

Article VI

WAIVER OF NOTICE

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

Article VII

ROBERT'S RULES OF ORDER

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

Article VIII

CONTRACTS, CHECKS AND DEPOSITS

Section 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 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 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. The Board may, in its discretion, use Cooperative funds to establish subsidiary corporations or other entities, either by itself or with others, for investment purposes or to provide services or other benefits to the Cooperative or its members.

Article IX

INDEMNIFICATION

Each person who is or was a trustee, director, officer or member of a committee of the Cooperative and each person who serves or has served at the request of the Cooperative, as a trustee,

director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the Cooperative to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The Cooperative may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Cooperative would have power to indemnify such person against such liability under the preceding sentence. The Cooperative may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the Cooperative to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

Article X

NONPROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital or other funds furnished by its members.

Section 2. Member 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 will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account to all its members 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 members as capital. The Cooperative is obligated to allocate by credits to a capital account for each member 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 is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to the member's account; provided, however, that individual notices of such amounts furnished by each member shall not be required if the Cooperative notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine the specific amount of capital so credited to that member. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts of capital.

(b) All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (i) used to offset any losses incurred during the current or any prior fiscal year and (ii) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members. In the event of dissolution or liquidation of the Cooperative, the assets of the Cooperative shall be distributed in accordance with the Cooperative's Articles of Incorporation and/or applicable law. 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 members 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 apportionment of losses, if any.

(c) Capital credited to the account of each member shall be assignable only to the Cooperative as collateral security for a loan made by the Cooperative to the member.

(d) The members 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 both the Cooperative and the members are bound by such contract, as fully as though each 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 of the Cooperative by mailing a copy of these Bylaws to each member.

Section 3. Patronage Refunds in Connection with Furnishing Other Services. If the Cooperative engages in the business of furnishing goods or services to members other than electric energy, all amounts received or receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained. It is the intent of this Section 3, to provide that amounts received from members for services offered by the Cooperative be treated, to the extent permitted by law, as income from business furthering the Cooperative's exempt purpose.

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 patron, former member or former patron entitled thereto shall be added to the general funds of the Cooperative and the member, patron, former member or former patron shall have no claim to said funds.

Article XII

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 XIII

SEAL

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

Article XIV

AMENDMENTS

Section 1. Proposals. Proposals for an amendment to the Articles of Incorporation may be made either by the Board or by 10% or more of the members of the Cooperative.

Section 2. Required Vote. The Articles of Incorporation and Bylaws may be altered, amended or repealed by a vote of two-thirds (2/3) of the members of the Cooperative voting at any annual or special meeting of the members provided that notices of such proposed alteration, amendment or repeal shall have been given with the notice of the meeting. These Bylaws may be altered, amended or repealed

by the affirmative vote of two-thirds (2/3) of the directors 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 and provided, further, that the Board shall not make or alter any provision fixing its 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 provision altered, amended or repealed by the members of the Cooperative at any regular or special meetings.