

**AMENDED BYLAWS OF  
COPPER VALLEY ELECTRIC ASSOCIATION, INC.**

**ARTICLE I**

**MEMBERSHIP**

**Section 1.01 Eligibility**

Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or any body politic (each hereinafter referred to as "member," "person," "applicant," "him," or "his") shall be eligible to become a member of and, at one or more premises owned or directly occupied or used by him, to use, receive, or purchase electric service from Copper Valley Electric Association, Inc. (hereinafter called the Association). No person shall hold more than one membership in the Association.

**Section 1.02 Application for Membership; Renewal of Prior Application**

(a) Application for membership -- wherein the applicant shall agree to purchase electric power and energy from the Association and to be bound by and to comply with all of the other provisions of the Association's Articles of Incorporation and Bylaws and all rules, regulations, rate classifications, and rate schedules established pursuant thereto, as all the same then exist or may thereafter be duly adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations") -- shall be made in writing on such form as is provided therefore by the Association. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on forms provided by the Association. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit, or contribution-in-aid-of-construction that may be required by the Association), which fee (and such service security deposit, service connection, deposit fee, facilities extension deposit, or contribution-in-aid-of-construction, if any) shall be refunded in the event the application is denied by Board resolution.

(b) Any former member of the Association may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at the Alaska legal rate on judgments in effect when such account first became overdue, (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution-in-aid-of-construction that may be required by the Association), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

(c) Purchases of other than electrical service from the Association shall not require or entitle the purchaser to be a member of the Association, or entitle them to capital credits, or to vote in Association elections.

**Section 1.03 Membership and Service Connection Fees**

(a) The membership fee shall be as fixed from time to time by the Board of Directors. The payment of the membership fee (together with any service security deposit, service connection deposit or fee, facilities extension deposit, contribution-in-aid-of-construction, or any combination thereof, if required by the Association) shall entitle the member to one service connection.

(b) A service connection deposit or fee, in such amount as shall be prescribed by the Association (together with any service security deposit, service connection deposit or fee, facilities extension deposit, contribution-in-aid-of-construction, or any combination thereof, if required by the Association), shall be paid by the member for each additional service connection requested by him.

#### **Section 1.04 Joint Membership**

(a) Any two natural persons living in the same household, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his," and "him," as used in these Bylaws, shall include any two natural persons living in the same household applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally, and jointly to them. Without limiting the generality of the foregoing;

(b) The presence of one person of a joint membership at a meeting shall constitute the presence of one member and a joint waiver of notice of the meeting;

(c) The vote of one person of a joint membership shall constitute one joint vote;

(d) Notice to, or waiver of notice signed by, one person of a joint membership shall constitute, respectively, a joint notice or waiver of notice;

(e) Suspension or termination in any manner of one person of a joint membership shall constitute, respectively, suspension or termination of the joint membership;

(f) Only one person of a joint membership, shall be eligible to serve as a Director of the Association at any given time, but only if both meet the qualifications required therefore; and

(g) No one person of a joint membership shall be permitted to have any additional service connections except through their one joint membership.

#### **Section 1.05 Acceptance into Membership**

Upon complying with the requirements set forth in these Bylaws, the Articles of Incorporation, policies, rules, regulations, tariff, or other directives as may from time to time be adopted by the Board of Directors any applicant shall automatically become a member on the date of his connection for electric service.

#### **Section 1.06 Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts**

(a) The Association shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Association all central electric power and energy purchased for use on all premises to which electric service has

been furnished by the Association pursuant to his membership, unless and except to the extent that the Board of Directors may, in writing, waive such requirement, and shall pay therefore at the time, and in accordance with the rules, regulations, rate classifications, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02.

(b) Production or use of electric energy on such premises, regardless of the source thereof by means of facilities which shall be interconnected with Association facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Association.

(c) Each member shall also pay all other amounts owed by him to the Association as and when they become due and payable. When the member has more than one service connection from the Association, any payment by him for service from the Association shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Association's actual accounting procedures do not reflect such allocation and proration.

(d) Nothing contained in these bylaws will prevent members from developing alternative energy sources. Further, the Board of Directors may enter into contract for joint operation, joint venture, cogeneration, sales, and purchase of electrical energy as may be necessary in order to provide service to and obtain purchases from its members.

#### **Section 1.07 Excess Payments to be Credited as Member Furnished Capital**

All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VII of these Bylaws. The term 'cost' as used in this Section shall include, but not be limited to, all cash and non-cash expenses and current liabilities of the Association, and all contributions by the Association to its reserve funds, sinking funds, and other accounts set up by the Board of Directors for Association purposes.

#### **Section 1.08 Wiring of Premises; Meter Tampering; Damage to Association Property; Association Responsibility; Indemnification**

(a) Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired and utilized in accordance with the specifications of the Alaska Fire Insurance Underwriters Association, the National Electric code, any applicable state code or local government ordinances, and of the Association. If the foregoing specifications are variant, the more exacting standards shall prevail.

(b) Each member shall be responsible for and shall indemnify and defend, at its own cost, the Association and its employees, directors, officers, agents, and independent contractors against claim for illness, death, injury, loss, or damage resulting from wiring or use or maintenance of customer premises and all wiring and apparatus connected thereto or used thereon.

Members shall not install or use alternate generation equipment except in strict compliance with the Association's tariff, Bylaws, and policies, and other application national, state, and local laws and regulations regarding the use of such equipment.

(c) Each member shall make available to the Association a suitable site, as determined by the Association,

whereon to place the Association's physical facilities for the furnishing and metering of electric service and shall permit the Association's authorized employees, agents, and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source for meter reading, bill collecting, 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 Association'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 his best efforts to prevent others from so doing.

(e) Each member shall also provide such protective devices to his premises, apparatus, or meter base as the Association shall from time to time require in order to protect the Association's physical facilities and personnel and its operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Association and its directors, officers, employees, agents, and independent contractors against death, injury, loss, or damage resulting therefrom, including but not limited to the Association'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 Association shall, however, in accordance with its applicable rules and regulations, reimburse the member for overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Association's billing procedures in accordance with the then existing tariff. In no event shall the responsibility of the Association for furnishing electric service extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises or beyond the combination circuit breaker-meter base panel if such is owned and maintained by the Association.

**Section 1.09 Member to Grant Easements to Association and to Participate in Required Cooperative Load Management Programs**

Each member shall, upon being requested to do so by the Association, execute and deliver to the Association, in a form acceptable to the Association and consistent with industry standards, grants of easement or right-of-way over, on, and under such lands owned or leased by or mortgaged to the member and in accordance with such reasonable terms and conditions as the Association shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance, or relocation of the Association's electric facilities. Each member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Association to enhance load management and to more efficiently utilize or conserve electric energy or to conduct load research.

**Section 1.10 District Membership**

The Association shall be comprised of two districts, namely, the Copper River Basin District and the Valdez District. The Copper River Basin District shall be comprised of all members and territory North of 27 Mile, Richardson Highway, and the Valdez District shall be comprised of all members and territory South of 27 Mile, Richardson Highway, within the Association boundaries as they presently exist or as they may be altered in the future. Should any member be considered eligible for membership in either district, such member shall choose his district and shall not change his election until one week after the annual membership meeting following his choice of district.

## **ARTICLE II**

### **MEMBERSHIP SUSPENSION AND TERMINATION**

#### **Section 2.01 Suspension; Reinstatement**

Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Association's generally publicized applicable rules and regulations, to pay any amounts due the Association or to cease any other noncompliance with his membership obligations a person's membership shall automatically be suspended; and he shall not, during such suspension, be entitled to receive electric service from the Association or to cast a vote at an election. Payment of all amounts due the Association, including any additional charges required for such reinstatement and/or cessation of any other noncompliance with his membership obligations within the final time limit, shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Association and to vote at an election.

#### **Section 2.02 Termination by Expulsion; Renewed Membership**

Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing, if such is requested by him, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Association at least ten (10) days prior to the next meeting of the Board of Directors, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of his expulsion. After any finally effective expulsion of a member, he may not again become a member except upon new application therefore duly approved as provided in Section 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

#### **Section 2.03 Termination by Withdrawal or Resignation**

A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe. A membership shall automatically terminate upon either (a) ceasing to own or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) abandoning totally and permanently the use of central station electric service on such premises.

#### **Section 2.04 Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners**

Except as provided in Section 2.06, the death of a natural person member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such

membership: PROVIDED, that 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 FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due the Association.

### **Section 2.05 Effect of Termination**

Upon the termination in any manner of a natural person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee and service security deposit, if any, theretofore paid the Association, less any amounts due the Association; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Association. Notwithstanding the suspension or expulsion of a member, as provided for in Section 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Association pursuant to such membership.

### **Section 2.06 Other Terminations of a Joint Membership**

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

### **Section 2.07 Automatic Membership Termination and Acceptance**

(a) A membership is automatically terminated when a member ceases to receive electrical service from the Association; PROVIDED that the member has not made special arrangement for continuation of service in the future. Upon discovery that the Association has been furnishing electric service to any person other than the member, it shall cease furnishing such service unless such person applies for service from that date forward.

(b) Upon the withdrawal, death, or cessation of existence of a member the membership shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Association.

(c) Should the Association acquire existing electric facilities, it may continue to serve persons, not in excess of forty percent (40%) of the then-total members of the Association, who are already receiving electric service from these facilities and these persons will become members upon the terms prescribed in these Bylaws.

## **ARTICLE III**

### **MEETING OF MEMBERS**

### **Section 3.01 Annual Meeting**

(a) The annual meeting of the members of each district shall be held during the month of April or May of each year, at such places within the Association District as selected by the Board of Directors and which shall be designated in the notice of the meeting, for the purpose of passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Association.

(b) Pursuant to resolution of the Board of Directors, the annual meeting may be convened in separate district meetings corresponding to the districts provided for in Article I, Section 1.10.

### **Section 3.02 Special Meetings**

Special meetings of the members may be called by resolution of a majority of the Board of Directors or upon written request signed by ten percent (10%) of the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Association's Districts.

### **Section 3.03 Notice of Members Meeting and Mail Balloting**

(a) Written or printed notice stating the date, time, and place of the annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) days nor more than sixty (60) days, or as otherwise provided in AS 10.25.100, before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the members as required by these Bylaws, at their addresses as they appear on the records of the Association, with postage thereon prepaid. The failure of any member to receive notice of an annual meeting of the members shall not invalidate any action which may be taken by the members.

(b) Written or printed notice stating the date, time, and place of the special meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ninety (90) days nor more than one hundred twenty (120) days, or as otherwise provided in AS 10.25.100, before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the members as required by these Bylaws, at their addresses as they appear on the records of the Association, with postage thereon prepaid. The failure of any member to receive notice of a special meeting of the members shall not invalidate any action which may be taken by the members.

(c) The notice shall specify whether the annual or special meetings of the members are to be conducted on a single date and place for all members or, alternatively, on different dates and in separate districts corresponding to the districts provided for in Article I, Section 1.10.

### **Section 3.04 Quorum**

(a) Five percent (5%) of the total membership, present in person, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another date, time, and place without further notice. The minutes of each meeting shall contain a list of the members present in person.

(b) If the annual or a special meeting of the members is held by districts, five percent (5%) of the total number of members of each district, respectively, shall constitute a quorum for the purpose of transacting business, unless the district has more than 1,000 members, then 50 members of that district, present in person, shall constitute a quorum for the purpose of transacting business.

(c) Votes cast by mail shall not be counted for the purpose of determining a quorum.

### **Section 3.05 Voting**

(a) Each member shall be entitled to only one vote upon each matter submitted to a vote at an election. An election shall be defined as the process of voting upon all matters that come before the members including election of directors, ballot propositions, and advisory votes. Cumulative voting is not permitted.

(b) Voting by a representative of member associations, corporations and body politic, or subdivision thereof, shall be allowed upon presentation to the Association, prior to, or upon registration at a member meeting written authorization from the governing body entitling the representative to vote on its behalf.

(c) Vote by proxy shall not be allowed.

(d) All questions shall be decided by a vote of a majority of the members voting, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

(e) Minimum requirements necessary to constitute a valid election:

1. Director elections – Ten percent (10%) of the district membership.
2. Bylaws and other matters not otherwise covered – Ten percent (10%) of all members of the Association.
3. Disposition of property – A majority of all members of the Association.

(f) The Board of Directors, in the instance of merger, consolidation, or sale and such other matters as it may deem appropriate, may cause a special membership meeting to be held at which an election may take place or set forth the particulars for an election after proper discussion.

(g) Any member may attend a district election meeting, but if such member is not a member of the district holding the election, that member shall not vote at that district election meeting.

(h) Changes to the Bylaws shall be voted by sealed ballots, tallied together by the Credentials and Election Committee after both districts have voted.

(i) Any member may vote by mail. The Secretary shall be responsible for the enclosure with the notice of such motion, resolution, or other matters to be voted upon; and each member shall express his vote thereon, by placing any mark in the space provided opposite each such motion, resolution, or other matter. Each member shall enclose

such copy so marked in a sealed envelope bearing his name and addressed to the Secretary. Mailed ballots, to be valid, must be received in the designated post office box by 5:00 p.m., one (1) week prior to the annual meeting or special meeting. When such written vote so enclosed is received by mail from any member, it shall be counted as a vote of such member. In cases of joint membership, a written ballot received from either person of a joint membership shall constitute one joint vote. The failure of any member to receive a copy of any such motion shall not invalidate any action, which may be taken by the members.

### **Section 3.06 Credentials and Election Committee**

(a) The Board of Directors shall, at least thirty (30) days before any meeting of the members, appoint a Credentials and Election Committee composed of members from the district holding the election. The Committee shall consist of an uneven number of Association members not less than five (5) nor more than seven (7) who are not existing Association employees, agents, officers, Directors or known candidates for Director, and who are not close relatives or members of the same household thereof.

(b) In appointing the Committee, the Board shall select members from different sections of the district conducting the election, where possible, keeping in mind the principles of geographic representation.

(c) Each Committee shall elect its own Chairman and Secretary prior to the member meeting. It shall be the responsibility of each Committee to establish or approve the manner of conducting member registration and any balloting or other voting, consistent with these Bylaws and Board Policies, to pass upon all questions that may arise with respect to the registration of members in person or by mailed vote, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of Directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of Directors), and to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Association.

(d) In the event a protest or objection is filed concerning any election, such protest or objection must be filed within three (3) business days following the public notice (as provided by CVEA which shall be published in the local newspapers in both districts) of the official voting results. The person making the protest or objection shall provide evidence of a substantial election irregularity before the Committee may change an election result. The Credentials and Election Committee may develop such procedures and adopt such rules and regulations, subject to the approval of the Board of Directors, as may be reasonably necessary or convenient to the discharge of the Committee's responsibilities. The Committee shall thereupon be reconvened, upon notice from its Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

### **Section 3.07 Order of Business**

The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members shall be essentially as follows:

- (a) Report on the number of members present in order to determine the existence of a quorum;
- (b) Reading of the notice of the meeting and proof of the 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 of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors, and committees;
- (e) Report on Voting;
- (f) Old Business;
- (g) New Business;
- (h) Adjournment;
- (i) Notwithstanding the foregoing, the Board of Directors or the members may from time to time, establish a different order of business for the purpose of assuring earlier consideration of action upon any item of business, the transaction of which is necessary or desirable, in advance of any other item of business; PROVIDED, that no business, other than adjournment of the meeting to another time and place, may be transacted until and unless the existence of a quorum is first established.

### **Section 3.08 District Meetings**

- (a) District meetings shall be held at such time and place as shall be designated by the Board of Directors. Business may be conducted at a district membership meeting to include, but not be limited to, electing Directors and conducting such business as may require the vote of the membership according to law and these Bylaws.
- (b) If the President or Vice President is not present to conduct the District election meeting any other director may substitute and conduct the meeting.
- (c) If no Officer or Director of the Association is present to conduct the election meeting, the meeting shall be adjourned to another date, time, and place; however, the ballots shall still be counted.

## **ARTICLE IV**

### **DIRECTORS**

#### **Section 4.01 General Powers**

The management of the business and the affairs of the corporation shall be vested in a board of eight (8) directors which shall exercise all the powers of the Association, except as are by law, the Articles of Incorporation, or these Bylaws, conferred upon or reserved to the members.

#### **Section 4.02 Qualifications**

Any person who is a member of the Association for at least twelve (12)-continuous months may seek membership on the Board of Directors if that person has the legal capacity to enter into a binding contract.

No person shall be eligible to become or remain a director, or to hold any position of trust in the Association who:

(a) Is currently an employee of the Association or is a close relative of an incumbent director or of an employee of the Association, or is not a member in good standing of the Association and receiving electric service therefrom at his primary residential abode; (Member in good standing is defined as: A member with an established good payment record with the Association as evidenced by receiving service from the Association with no more than one delinquency in payment during the last 12 consecutive months of service.)

(b) PROVIDED, that the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or his designee, shall, notwithstanding that he does not receive service from the Association at his primary residential abode, be eligible to become a Director, from the District in which such member is located, if he or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Association, and (2) is a permanent year-round resident within or in close proximity to an area served by the Association; and bonafide resident of the district from which elected. The discontinuance of employment of a person who has become eligible as a Director under this section shall require that the position be filled from the membership by the Board of Directors under Section 4.09, entitled, "Vacancies." No more than one (1) such person in each district may be eligible to serve under this subsection on the Board of Directors at the same time.

(c) No person shall be eligible to become or remain a Director of, or to hold any other position of trust in, the Association who is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy and electric supplies to the Association.

(d) Upon establishment of the fact that a nominee for Director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, the nominee shall be notified of the reasons for the nominee's disqualification by the Board of Directors, or staff acting at the direction of the Board of Directors. Upon the establishment of the fact that any sitting Director lacks eligibility under this section, said Director would be in violation of these Bylaws and shall be deemed to have resigned from the Board of Directors and the vacancy thereby resulting will be filled as provided in Article IV, Section 4.09 of these Bylaws, as amended.

(e) Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this section and in which one or more of the Directors have an interest adverse to that of the Association.

### **Section 4.03 Election**

Directors shall be elected by written ballot by the members and, except as provided in Section 4.02(b) of these Bylaws, from among those members who are natural persons. Directors shall be elected by a plurality of the votes cast. Drawing by lot shall resolve, where necessary, any tie votes.

### **Section 4.04 Tenure**

(a) The Valdez District shall be represented by four (4) directors. The Copper River Basin District shall be represented by four (4) directors.

(b) Directors shall serve three (3)-year terms and shall be elected on a staggered basis by a plurality vote of the members.

(c) Failure of an election shall allow the incumbents, whose directorates would have been voted on, to hold over only until a successor is elected and qualified.

### **Section 4.05 Nominations**

(a) All nominations for director will be made by petition.

(b) Any fifteen (15) or more members acting together may make nominations by petition. The petition shall be delivered no later than 5:00 p.m. and not less than sixty (60) days prior to the date of the meeting of members at which the director(s) are to be elected. The Secretary shall determine whether each candidate so nominated is qualified as provided by these Bylaws, Section 4.02, and shall post at the principal office of the Association within the district at least fifty (50) days before the election meeting, the list of nominations from the district which may include a greater number of candidates than are to be elected.

(c) The Secretary shall be responsible for mailing with the notice of meeting, or separately but at least twenty (20) days before the date of the meeting, a statement of the number of Directors to be elected and the names and addresses of the candidates.

(d) No nominations will be taken from the floor.

### **Section 4.06 Rules and Regulations**

The Board of Directors shall have power to make, adopt, and enforce such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws as it may deem advisable for the management of the affairs and business of the Association for the protection of its investment and the interest and welfare of the members

thereof.

#### **Section 4.07 Committees**

The President and Secretary are ex-officio members of all committees except the Credentials and Election Committee.

#### **Section 4.08 Removal of Directors by Members**

(a) Any member may bring one or more charges for cause against any one or more Directors and may request the removal of such Director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten percent (10%) of the then total members of the Association, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s). Notice of the special member meeting shall specify the date, time, and place thereof, not less than ninety (90) or more than one hundred twenty (120) days after the filing of such petition.

(b) Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s), and the name(s) of the Director(s) against whom such charge(s) is (are) being made.

(c) The petition shall be signed by each member in the same name as the member is billed by the Association and shall state the signatory's address as the same appears on such billings.

(d) Notice of such verbatim charge(s), of the Director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s), and the purpose of the meeting shall be contained in the notice of the meeting or separately noticed to the member meeting at which the matter will be acted upon: PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s).

(e) Such Director(s) shall be informed in writing of the charge(s) at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel, or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity but must be heard first.

(f) The question of the removal of such Director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting; PROVIDED, that the question of the removal of a Director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents, or otherwise.

(g) Any vacancy created by such removal shall be filled pursuant to Sections 4.02 and 4.09 of these Bylaws.

#### **Section 4.09 Vacancies**

A vacancy occurring on the Board shall be filled by the affirmative vote of a majority of the remaining Directors. The member so elected to the Board shall serve until the next annual meeting of the members or until his successor has been elected and has qualified. Should a vacancy occur after the election nomination deadline and before the annual meeting of members, the vacancy will stand until after the annual meeting. The Board of Directors, after

the annual meeting, shall fill the position by the affirmative vote of a majority of the remaining Directors. The member so elected to the Board shall serve until the next annual meeting. At the annual meeting next following the existence of such vacancy, the members shall elect one of their number to serve as Director during the unexpired portion of the term vacated, subject, however, to the provisions of Article IV, Section 4.02, 4.03, 4.04, and 4.05 of these Bylaws, as amended; PROVIDED, however, that the Board shall have the authority at any election for a Board member, to reset the term of such Board seat in order to maintain an appropriate stagger, as provided by Alaska Statute 10.25.

#### **Section 4.10 Compensation**

(a) Directors shall not receive any salary for their services as Directors. By resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors.

(b) Directors shall be allowed a fixed sum and expenses of attendance, if any, for attendance at workshops, seminars, and other meetings concerning the affairs of the Association.

(c) Notwithstanding the foregoing, for their services, Directors shall be entitled to insurance protection (including, but not limited to, medical, hospitalization, travel, accident, and indemnification against liability) as provided by resolution of the Board of Directors.

(d) No Director shall receive compensation for serving the Association in any other capacity. Nor shall any close relative of a Director receive compensation for serving the Association, unless the payment and amount of compensation shall be specifically authorized by the Board of Directors after determination of the need thereof.

## **ARTICLE V**

### **MEETING OF DIRECTORS**

#### **Section 5.01 Regular Meetings**

(a) A regular meeting of the Board of Directors shall be held without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting for the purpose of ratifying the results of the election of members to the Board of Directors and other voting.

(b) A regular meeting of the Board of Directors may also be held monthly at such date, time, and place as the Board of Directors may provide by resolution. Such regular monthly 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: PROVIDED, that any Director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time, or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, that, if a policy therefore is established by the Board, the President may change the date, time, or place of a regular monthly meeting for good cause and upon not less than five (5) days notice thereof to all Directors. The President, with the consensus of the Board, may cancel any previously scheduled regular meeting if there are no agenda items requiring the Board's action, but the President may not cancel two or more consecutive regular meetings for this reason.

(c) Regular and Special meetings of the Board of Directors, upon proper notice as otherwise provided in Section 5.03, may also be held via remote communication devices approved by the Board of Directors, including telephone, videoconference, or other similar means of communication, without regard to the actual location of the Directors at the time of such meeting.

#### **Section 5.02 Special Meetings**

(a) Special meetings of the Board of Directors may be called by the Board of Directors, by the President, or by any three (3) Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided in Section 5.03.

(b) The Board, the President, or the Directors calling the meeting shall fix the date, time, and place for the holding of the meeting, which shall be held in a District within which the Association serves, unless all directors consent to its being held in some other place in Alaska.

(c) Special meetings, upon proper notice as otherwise provided in Section 5.03, may also be held via remote communication devices as approved by the Board of Directors, without regard to the actual location of the Directors at the time of such meeting.

#### **Section 5.03 Notice of Directors Meetings**

(a) Written notice of the date, time, place, and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each Director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the

Secretary or, upon a default in duty by the Secretary, by the President or by any Director in the case of a special meeting or by any Director in the case of a meeting whose date, time, and place have already been fixed by Board Resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at his address as it appears on the records of the Association, with first-class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date.

(b) The participation of a Director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such participation shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened.

(c) Notice of the date, time, and place of board meetings shall also be given to the members. In the case of a regular board meeting, such notice need not specify the purpose; in the case of a special board meeting, such notice shall specify the purpose(s). Such notices shall be given not less than five (5) days prior to the holding thereof and may be given in any of the following ways:

- (1) By publication in a newspaper or newspapers of general circulation in the areas served by the Association;
- (2) By notices aired on radio or TV stations having general coverage in the areas served by the Association;
- (3) By written notice mailed either singularly or as a part of any other mailing to the members, including bills for service; or
- (4) By any other suitable method which may reasonably be expected to provide general member notice.

#### **Section 5.04 Quorum**

The participation of a majority of the Directors in office shall be required for the transaction of business and the affirmative votes of a majority of the Directors participating and voting shall be required for any action to be taken: PROVIDED, that a Director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Directors in office or participating; AND PROVIDED FURTHER, that, if less than a quorum participates at a meeting, a majority of the Directors participating may adjourn the meeting to another date, time, and place, but shall cause the absent Directors to be duly and timely notified of the date, time, and place of such adjourned meeting.

#### **Section 5.05 Attendance at Meetings**

The Board of Directors shall be responsible for defining the terms and conditions for board member participation in board meetings.

(a) If a Director is absent from five (5) regular board meetings in any twelve (12) consecutive months with or without good cause, he shall be deemed to have resigned from the Board of Directors, and the vacancy thereby resulting will be filled as provided in Article IV, Section 4.09 of these Bylaws, as amended.

(b) Any Director who is removed from the Board of Directors because of absenteeism may appeal his removal to the members at a special or regular meeting called pursuant to the provisions of Section 4.08.

## **ARTICLE VI OFFICERS**

### **Section 6.01 Number and Title**

The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The office of the Secretary and of the Treasurer may be held by the same person.

### **Section 6.02 Election and Term of Office**

The four officers named in Section 6.01 shall be elected by written ballot, annually, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. Nominations for officer positions shall not be made until the first meeting of the Board of Directors held after the annual meeting of members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be possible. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Directors and to the removal of officers by the Board of Directors. Any other officer may be elected by the Board from among such persons, and with such title, tenure, responsibilities, and authorities, as the Board of Directors may from time to time deem advisable.

### **Section 6.03 Removal**

Any officer, agent, or employee elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

### **Section 6.04 Vacancies**

A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

### **Section 6.05 President**

The President shall:

- (a) Be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors and, unless determined otherwise by the Board of Directors, at all meetings of the members;
- (b) Sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and
- (c) In general, perform all duties incident to the office of President and such other duties as may be prescribed by

the Board of Directors from time to time.

### **Section 6.06 Vice President**

In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties from time to time which may be assigned to him by the Board of Directors.

### **Section 6.07 Secretary**

The Secretary shall:

- (a) Keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one 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 corporate records and of the seal of the Association, and see that the seal of the Association is affixed to all documents the execution of which, on behalf of the Association under its seal, is duly authorized in accordance with the provisions of these Bylaws;
- (d) Keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Association by such member;
- (e) Have general charge of the books of the Association in which a record of the members is kept;
- (f) Keep on file at all times a complete copy of the Association's Articles of Incorporation and Bylaws together with all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Association, furnish a copy of such documents and of all amendments thereto upon request to any member; and
- (g) In general, perform all duties incident to the office of the Secretary and such duties as from time to time may be assigned to him by the Board of Directors.

### **Section 6.08 Treasurer**

The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Association;
- (b) Receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit or invest all such monies in the name of the Association in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; 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 him by the Board of Directors.

### **Section 6.09 Delegation of Secretary's and Treasurer's Responsibilities**

Notwithstanding the duties, responsibilities, and authorities of the Secretary and the Treasurer herein before provided in Section 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such Officer's duties to one or more agents, other Officers, or employees of the Association who are not Directors. To the extent that the Board does so delegate with respect to any such Officer, that Officer as such shall be released from such duties, responsibilities, and authorities.

### **Section 6.10 Chief Executive Officer**

The Board of Directors shall appoint a Chief Executive Officer who shall be required to be a member of the Association. The CEO, together with such other staff, agents, and employees as he may select with the consent of the Board of Directors, shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him.

### **Section 6.11 Bonds**

The Board of Directors shall require the Treasurer and any other officer, agent, or employee of the Association charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors, in its discretion, may also require any other officer, agent, or employee of the Association 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 Association.

### **Section 6.12 Compensation; Indemnification**

The powers, duties, and compensation of any officers, agents, and employees shall be fixed or a plan thereof approved by the Board of Directors. The Association shall indemnify present and former directors, officers, including the Chief Executive Officer, and employees, and may indemnify agents against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Association or were not against the best interests of the Association. The Association may purchase insurance to cover such indemnification.

### **Section 6.13 Reports**

The officers of the Association shall submit, at each annual meeting of the members, reports covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.

## **ARTICLE VII**

### **NONPROFIT OPERATION**

#### **Section 7.01 Interest or Dividends on Capital Prohibited**

The Association shall at all times be operated on a cooperative, nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Association on any capital furnished by its members.

#### **Section 7.02 Patronage Capital in Connection with Furnishing Electric Energy**

(a) In the furnishing of electric energy, the Association's operations shall be so conducted that all members will, through their patronage, furnish capital for the Association. In order to induce patronage and to ensure that the Association will operate on a nonprofit basis, the Association is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the member as capital. The Association is obligated to pay 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 Association 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 Association shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his account;

(b) Provided, that individual notices of such amounts furnished by each member shall not be required if the Association notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine for himself the specific amount of capital so credited to him.

(c) 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 Association corresponding amounts for capital.

(d) All other amounts received by the Association from its non-electric operations in excess of costs and expenses shall, insofar as permitted by law, be (1) used to offset any losses incurred during the current or any prior fiscal year; and (2) to the extent not needed for that purpose will be retained by the Association as equity capital.

(e) In the event of dissolution or liquidation of the Association after all outstanding indebtedness of the Association 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: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were members during the period the asset was owned by the Association in proportion to the amount of business done by such members during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members.

(f) If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial

condition of the Association will not be impaired thereby, the capital then credited to members accounts may be retired in full or in part according to policies adopted by the Board. The Board of Directors shall have the power to

adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of members which corresponds to capital credited to the account of the Association by an organization furnishing power supply or any other service or supply to the Association.

(g) Such rules shall (1) establish a method for determining the portion of such capital credited to each member for each applicable fiscal year, (2) provide for separate identification on the Association's books of such portions of capital credited to the Association's members, (3) provide for appropriate notification to members with respect to such portions of capital credited to their accounts.

(h) Capital credited to the account of each member shall be assignable only on the books of the Association pursuant to written, instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such members premises served by the Association, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

(i) This paragraph was rescinded by the membership on April 25, 2000.

(j) The Association, before retiring any capital credited to any member's account, shall deduct therefrom any amount owing by such member to the Association, together with interest thereon at the Alaska legal rate on judgments in effect when such amount became overdue.

(k) The members of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each member, and both the Association and the members are bound by such a contract as fully as though each member 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 Association by posting, in a conspicuous place, in the Association's office.

(l) The allocation of patronage capital shall be made by district as defined in Article I, Section 1.10 of these Bylaws as determined by the Board of Directors.

## **ARTICLE VIII**

### **FISCAL MANAGEMENT AND ACCOUNTING**

#### **Section 8.01 Revenues and Expenditures**

The Board of Directors shall adopt and maintain a system of accounting for receipts and expenditures in conformance with the laws of the United States and of the State of Alaska applicable to cooperative associations and corporations, which system shall at all times provide the proper reserves for payment of interest and principal on outstanding indebtedness, reserves for taxes, insurance, depreciation, replacement of capital plant and facilities, and such other reserves and accounts as the Board of Directors shall deem proper.

#### **Section 8.02 Accounting System and Reports**

(a) The accounting system adopted and maintained by the Board of Directors shall conform to such rules and regulations applicable to accounting systems, their establishment and operation, consistent with electric industry standards, and such as may be established by any applicable laws, rules, and regulations of the United States, the State of Alaska, or any regulatory agents thereof, of competent jurisdiction.

(b) The Board of Directors may, whenever the financial condition of the Association permits and its interest so requires, after the close of the fiscal year, cause to be made a full, complete, and independent audit of the accounts, books, and financial condition of the Association as of the end of such fiscal year. Such audit reports, or summaries thereof, shall be reported to the members at the next following annual meeting.

## **ARTICLE IX**

### **DISPOSITION OF PROPERTY**

#### **Section 9.01 Disposition of Property**

(a) The Board of Directors shall have full power and authority, without authorization by the members, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust, or the pledging or encumbering of any or all of the property, rights, privileges, licenses, franchise, and permits of the Association, whether acquired or to be acquired and wherever acquired or to be acquired and wherever situated as well as the revenues therefrom, all such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Association.

(b) The Association may not otherwise sell, lease, or otherwise dispose of more than forty-nine percent (49%) of the Association's property unless such sale, lease, or other disposition is authorized by the affirmative vote of not less than the majority of all the members of the Association.

The Association may not otherwise sell, lease, or otherwise dispose of more than fifteen percent (15%) or less than forty-nine percent (49%) of the Association's property unless such sale, lease, or other disposition is authorized by the membership in compliance with Alaska Statute 10.25.400.

(c) A special meeting may be called by the Board of Directors in accordance with the law where the approval of the members is necessary under this Article and upon resolution by the Board of Directors; voting by mail on a motion or resolution to sell, lease, or otherwise dispose of all or a substantial portion of the Association's property shall be allowed in accordance with these Bylaws.

(d) Any sale, lease, or other disposition of all of the Association's property to an unrelated third party shall, as a minimum, require that the purchasing party shall pay in cash to the Association the fair market value of the assets purchased, including provision for complete retirement of patronage capital, satisfaction of all then-existing contracts or obligations of the Association, and complete indemnity of the Association and its members, directors, officers, and employees from all liability or claim of liability arising out of the Association and its operations prior to the sale. Fair market value shall be determined by the Board of Directors after review of appraisals and accepted business valuation standards.

## **ARTICLE X**

### **SEAL**

The corporate seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, State of Alaska."

## **ARTICLE XI**

### **FINANCIAL TRANSACTIONS**

#### **Section 11.01 Contracts**

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name and on the behalf of the Association, and such authority may be general or confined to specific instances.

#### **Section 11.02 Checks, Drafts, and Order for the Payment of Money**

All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, employee or employees of the Association and in such manner as shall from time to time be determined by the resolution of the Board of Directors.

**Section 11.03 Deposits**

All funds, except petty cash, of the Association shall be deposited from time to time to the credit of the Association in such bank or banks as the Board of Directors may select.

**Section 11.04 Change of Rates**

This section was rescinded in 1999.

**Section 11.05 Fiscal Year**

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

**ARTICLE XII**

**MISCELLANEOUS**

**Section 12.01 Membership in Other Organizations**

The Association may, with the approval of the Board of Directors, acquire or create any interest in any legal entity to conduct business as permitted by law; PROVIDED, the financial condition of the Association will not be impaired thereby.

**Section 12.02 Waiver of Notice**

Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or Director shall attend a meeting for the express purpose of objecting to the transaction of any business, or one or more items of business, on the grounds that the meeting has not been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

**Section 12.03 General Provisions**

- (a) Unless otherwise provided, words and phrases used in these Bylaws have their customary and ordinary meaning;
- (b) The singular use of any word includes the plural use, and the plural use of any word includes the singular use;
- (c) The masculine use of any word includes the masculine, feminine, and neutral uses;
- (d) The present tense of any word includes the past and future tenses, and the future tense of any word includes the

present tense; and

(e) The words “shall” or “must” indicate a mandatory action or requirement, and the word “may” indicates a permissive action or requirement.

#### **Section 12.04 "Close Relative" Defined**

As used in these Bylaws, "close relative" means a person who, by blood or in law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal.

### **ARTICLE XIII**

#### **AMENDMENTS**

(a) These Bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal and name(s) of sponsor(s) of proposed change(s).

(b) A member may have a proposed amendment of the Bylaws placed on the official notice to the members by one of the following procedures:

(1) Filing the proposed amendment in writing, together with a petition signed by at least ten percent (10%) of the members, with the Secretary of the Association at least ninety (90) days before the meeting; or

(2) Filing the proposed amendment in writing with the Board of Directors at least ninety (90) days before the meeting for its consideration and decision for placement on the official notice; or

(3) Motion from the floor at a membership meeting, duly seconded and carried by majority vote of those members present at the meeting, for placement on the official notice of the next scheduled meeting of the members.

### **ARTICLE XIV**

#### **RULES OF ORDER**

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws, and of any other committee of the members of the Board of Directors which may from time to time be duly established shall be governed by the most recent edition of *Robert's Rules of Order*, except to the extent such procedure is otherwise determined by law or by the Association's Articles of Incorporation or Bylaws or by resolution of the Board of Directors.

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