

BY LAWS  
OF THE  
ONTONAGON COUNTY  
**Rural  
Electrification  
Association**  
ORGANIZED SEPTEMBER 30, 1937

Ontonagon County  
**Rural Electrification Association**  
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Revised: June 21, 2014

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3 ONTONAGON COUNTY  
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13 **ARTICLE I**

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14  
15 **MEMBERS**

16 *Section 1. Qualifications and Obligations*

17 Any person, firm, corporation or body politic may become a member in the Ontonagon County  
18 Rural Electrification Association (Cooperative) by:

19 1. Making and signing a written application on such form as provided therefore by the  
20 Cooperative; and

21  
22 2. Paying any deposit, contribution, fee, charge or any combination, as required by the  
23 Cooperative and

24  
25 3. Agreeing to comply with and be bound by the Articles of Incorporation of the  
26 Cooperative and these Bylaws and any amendments thereto and such rules and regulations as  
27 may from time to time be adopted by the Board of Directors. Any person, firm, corporation or  
28 body politic may receive service at more than one premise but shall only hold one (1)  
29 membership in the Cooperative. A husband and wife may jointly become a member and their  
30 application for joint membership may be accepted in accordance with the foregoing provisions of  
31 this section, providing the husband and wife comply jointly with the provisions of the above  
32 divisions.

33  
34 4. Each entity shall designate its representative to the Cooperative on its stationery and file  
35 such designation with the Cooperative. This representative shall be eligible to vote on any matter  
36 if all other qualifications are met.

37  
38 *Section 2. Purchase of Electric Energy*

39 (a) Each member shall, as soon as electric energy shall be available, purchase from  
40 the Cooperative all electricity used, and shall pay therefore rates which shall, from time to time,  
41 be fixed by the Board of Directors provided, however, that the Board of Directors may limit the  
42 amount of electricity which the Cooperative shall be required to furnish to any one member.  
43 Each member shall pay all amounts owed by him to the Cooperative as and when the same shall

1 become due and payable. Termination or withdrawal from membership by a member shall not  
2 relieve that member from payment in full of all debts and liabilities to the Cooperative.

3  
4 (b) The Cooperative shall use reasonably diligent efforts to furnish its members with  
5 adequate and dependable electric service, although it cannot and therefore does not guarantee a  
6 continuous and uninterrupted supply.

7  
8 (c) The Cooperative may require a contract executed by a member for any particular  
9 classification of service.

### 10 *Section 3. Withdrawal of Membership*

11 (a) Any member who withdraws or terminates membership in any manner shall not  
12 be relieved of any debts and liabilities of such member to the Cooperative and upon compliance  
13 with such terms and conditions as the Board of Directors may prescribe

14  
15 (b) Membership in the Cooperative shall not be transferable except as otherwise  
16 provided in these Bylaws.

17  
18 (c) Upon the dissolution for any reason of a partnership or upon the death,  
19 withdrawal or addition of any individual partner, the membership shall continue to be held by the  
20 remaining and/or new partner or partners as though the membership had never been held by  
21 different partners. Neither a withdrawing partner nor a withdrawing partner's estate shall be  
22 released from any debts then due the Cooperative.

### 23 *Section 4. Transfer and Termination of Membership*

24 (a) Membership in the Cooperative shall not be transferrable except as hereinafter  
25 otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal, of a  
26 member, the membership of such member shall thereupon terminate. Terminations of  
27 membership in any manner shall not release the member from the debts or liabilities of such  
28 member to the Cooperative.

29  
30 (b) A membership may be transferred by a member to himself or, herself and his or  
31 her spouse, as the case may be, jointly upon the written request of such member. Such transfer  
32 shall be made and recorded in the books of the Cooperative.

33  
34 (c) In the event of death of a member or the survivor of a jointly held membership,  
35 said membership shall, on written request, be transferred to any parent, child, spouse, brother or  
36 sister of the deceased member who shall live on and occupy the premises served through the  
37 deceased member's membership.

38  
39 (d) Membership in the Cooperative shall be automatically suspended one year after  
40 the last use of electrical service from the Cooperative. The Board of Directors may, however,  
41 reinstate a member so suspended upon terms as the Board of Directors may specify.

1 *Section 5. Joint Membership*

2 (a) If more than one person is listed on an account, those persons constitute a joint  
3 membership. Any provision relating to the rights and liabilities of membership shall apply  
4 equally to holders of a joint membership.

5 (b) The presence of any person in a joint membership at a meeting shall be regarded  
6 as the presence of the member.

7 (c) The presence of any person in a joint membership at a meeting shall constitute a  
8 waiver of notice of the meeting by the member.

9 (d) A person in a joint membership is entitled to only one vote in a joint membership.

10 (e) Notice of any person in a joint membership shall constitute notice to both.

11 (f) Any person in a joint membership shall be eligible to serve as a director for the  
12 Cooperative, but not more than one concurrently.

13 (g) Upon the death of any person, the membership shall continue to be held by the  
14 surviving joint members. Any surviving joint members shall not be released from any debts due  
15 the Cooperative. If all joint members are deceased, the estate remains responsible for any debts  
16 due the Cooperative.

17 (h) Upon legal separation or divorce, the membership shall continue to be held solely  
18 by the spouse who continues to occupy or use the premises. The spouse who does not occupy or  
19 use the premises covered by the membership shall not be released from any debts due the  
20 Cooperative.

21 *Section 6. Member Responsibilities*

22 (a) Each member shall cause all premises receiving electric service from the  
23 Cooperative to become and remain wired in accordance with applicable local, state and federal  
24 codes, ordinances and statutes.

25 (b) Each member shall be responsible for and indemnify the Cooperative and its  
26 employees, agents and independent contractors against death, injury, loss or damage resulting  
27 from any defect or improper use or maintenance of such premises and all wiring and apparatus  
28 connected thereto or used thereon.

29 (c) Each member shall make available to the Cooperative a suitable site, as  
30 determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing  
31 and metering of electric service and shall permit the Cooperative's authorized employees, agents  
32 and independent contractors to have access safely and without interference from any hostile  
33 source for meter reading, bill collecting, and for inspection, maintenance, replacement,  
34 relocation, repair or disconnection of such facilities at all reasonable times.

1 (d) Each member shall not interfere with, impair the operation of or cause damage to  
2 such facilities, and shall use best efforts to prevent others from so doing.

3 (e) Each member shall also provide such protective devices, apparatus or meter base  
4 as the Cooperative shall require in order to protect the Cooperative's physical facilities and  
5 operation, and to prevent any interference with or damage to such facilities. In the event such  
6 facilities are interfered with, impaired in their operation or damaged by the member, or by any  
7 other cause when the member's reasonable care and surveillance should have prevented such, the  
8 member shall indemnify the Cooperative and its employees, agents and independent contractors  
9 against death, injury, loss or damage resulting from, including but not limited to the  
10 Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of  
11 revenues resulting from the failure or defective functioning of its metering equipment. The  
12 Cooperative shall, however, in accordance with its applicable service rules and regulations,  
13 indemnify the member for any overcharges for service that may result from a malfunctioning of  
14 its metering equipment error occurring in the Cooperative's billing procedures.

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

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

#### 20 *Section 7. Right of Way Easements*

21 (a) Each member shall, upon request, give to the Cooperative, without compensation,  
22 all easements or rights of way over, on and under such lands owned or leased by the member,  
23 and in accordance with such reasonable terms and conditions, as the Cooperative shall require  
24 for the furnishing of electric service (for the member or other members) for the construction,  
25 operation, maintenance or relocation of the Cooperative's electric facilities.

26 (b) Any person who refuses to grant the Cooperative an easement or easements upon  
27 request shall pay the actual cost of any line changes made necessary by such refusal, including  
28 but not limited to attorney's fees and expenses.

#### 29 *Section 8. Petitions*

30 Petitions by the membership authorized under these Bylaws shall be on forms prepared and  
31 available from the Cooperative.

32 (a) All members signing such petitions shall include their service address.

33 (b) Each member's signature appearing thereon shall be dated as of the date of  
34 signing.

35 (c) The person circulating the petition shall be a member of the Cooperative and shall  
36 include at the end of each petition sheet his or her service address and attest that he or she

1 circulated the petition and is acquainted with the persons who signed the petition in his or her  
2 presence.

3 (d) A petition to remove a director is subject to Board approval as to form and clarity  
4 prior to circulation pursuant to Article III, Section 10.

## 5 **ARTICLE II**

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### **MEETING OF MEMBERS AND ELECTION OF DIRECTORS**

8

#### *Section 1. Annual Meeting*

9 (a) The annual meeting of the members of the Cooperative shall be held on a date and  
10 time, as may be designated by the Board and at a place in a county in the state of Michigan  
11 served by the Cooperative.

12 (b) The purpose of the annual meeting is to announce the results of the director  
13 elections and inform members of any substantive matters.

14 (c) Failure to hold the annual meeting at the designated time shall not work a  
15 forfeiture or dissolution of the Cooperative .

16

#### *Section 2. Special Meetings*

17 Special meetings of the members may be called by at least three (3) directors or upon a written  
18 request signed by at least ten percent (10%) of all the members and it shall thereupon be the duty  
19 of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special  
20 meetings of members may be held at any place within the Cooperative's service territory, as  
21 specified in the notice of the Special Meeting.

22

#### *Section 3. Notice of Members' Meeting*

23 Written or printed notice stating the place, day and hour of the meeting and, in the case of a  
24 special meeting, the purpose or purposes for which the meeting is called, shall be delivered not  
25 less than fourteen (14) days nor more than thirty (30) days before the date of the meeting, either  
26 personally, electronically or by mail, by or at the direction of the Secretary, or by the persons  
27 calling this meeting, to each member at his address as it appears on the records of the  
28 Cooperative, with postage thereon prepaid. Publication in a newsletter mailed to each member's  
29 address as it appears on the records of the Cooperative is sufficient delivery. In case of joint  
30 membership, notice given to any joint member shall be deemed notice to all joint members. The  
31 failure of any member to receive notice of an Annual or Special Meeting of the members shall  
32 not invalidate any action which may be taken by the members at any such meeting.

33

#### *Section 4. Quorum*

34 Fifty (50) members present in person or represented by proxy shall constitute a quorum for the  
35 transaction of business at all meetings of the members. In case of a joint membership, the  
36 presence of one joint member of a membership shall be regarded as the presence of the member.

1 If less than a quorum is present, a majority of those present may adjourn the meeting, without  
2 further notice.

3 *Section 5. Voting*

4 Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote  
5 at a meeting of the members. At all meetings of the members at which a quorum is present, all  
6 questions shall be decided by a vote of a majority of the members voting thereon in person  
7 except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these  
8 Bylaws. If a joint membership is at issue, the joint members shall jointly be entitled to one (1)  
9 vote and no more upon each matter submitted to a vote at a meeting of the members.

10 *Section 6. Voting Districts*

11 The territory served or to be served by the Cooperative shall be divided into seven (7) Districts,  
12 each of which shall be represented by one (1) Director. The seven (7) Districts shall be as  
13 follows:

- 14 District No. 1 - Green, Firesteel
- 15 District No. 2 - Lake Mine, Toivola
- 16 District No. 3 - Ewen, Trout Creek
- 17 District No. 4 - Aura
- 18 District No. 5 - Pelkie, Keweenaw Bay, Herman
- 19 District No. 6 - Chassell
- 20 District No. 7 - Boston, Lake Linden

21 Not less than sixty (60) days before any meeting of the members at which directors are to be  
22 elected, the Board of Directors shall review the composition of the several districts and, if it  
23 should be found that inequalities in representation have developed which can be corrected by a  
24 redelineation of districts, the Board of Directors shall reconstitute the districts so that each shall  
25 contain as nearly as possible the same number of members.

26 *Section 7. Order of Business*

27 The order of business at the Annual Meeting of the members, and so far as possible, at all other  
28 meetings of the members, shall be essentially as follows:

- 29 1. Determination of a quorum.
- 30
- 31 2. Reading of the notice of the meeting and proof of the due publication or mailing thereof,  
32 or the waiver or waivers of the notice of the meeting, as the case may be.
- 33
- 34 3. Reading of unapproved minutes of previous meetings of the members and the taking of  
35 necessary action thereon.
- 36
- 37 4. Presentation and consideration of, and acting upon reports of officers, directors and  
38 committees.
- 39
- 40 5. Unfinished Business.
- 41
- 42

1 6. New Business.

2  
3 7. Adjournment.

4  
5 **ARTICLE III**

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6  
7 **DIRECTORS**

8 *Section 1. General Powers*

9 The business and affairs of the Cooperative shall be managed by a Board of seven (7) Directors,  
10 which shall exercise all of the powers of the Cooperative except such as are by law or by the  
11 Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to  
12 the members.

13 *Section 2. Election of Directors*

14 Directors shall be elected for three (3) year terms in the following manner:

- 15 a) Any member seeking a term on the Board of Directors for a term due to expire shall  
16 contact the Cooperative's main office for a nominating petition for said District.
- 17 b) The member shall have until the first Monday in May to return the petition to the main  
18 office of the Cooperative.
- 19 c) When nominating petitions containing the signatures of five (5) members of the  
20 Cooperative residing in a given district, nominating a member, have been received, that  
21 member shall be deemed nominated, if he or she is a permanent, full time resident of that  
22 district, as evidenced by either driver's license, voter registration or homestead  
23 exemption within the district. In addition, no member shall be nominated unless he has  
24 attained the age of 21.
- 25 d) After the close of nominations and no later than (30) days before the Annual Meeting, the  
26 Cooperative shall mail ballots to all members residing in districts electing directors. The  
27 ballot shall contain the names of all nominees from the districts in which the member  
28 resides.
- 29 e) The ballots must be returned to the main office of the Cooperative no later than noon of  
30 the last Monday preceding the Annual Meeting.
- 31 f) The person receiving a plurality of the votes in a district shall be declared elected.
- 32 g) The Board of Directors shall appoint a committee of five (5) Members, none of whom  
33 shall be a director, to count the votes and declare the winner.
- 34 h) If there is only one person nominated for the position of board member from a District,  
35 that person shall be deemed to be elected and mail ballots shall not be processed, mailed  
36 or tabulated for such District.

37 *Section 3. Vacancies*

38 Subject to the provisions of these Bylaws with respect to the removal of directors, vacancies  
39 occurring in the Board of Directors shall be filled by a majority vote of the remaining directors,  
40 and directors thus elected shall serve until the expiration of the term or until their successors



1 shall have been elected and shall have qualified. The member elected as director to fill the  
2 vacancy must reside in the same district as the director to whose office he succeeds and meet the  
3 requirements set forth in Section 9 of this Article.

4  
5 *Section 4. Compensation*

6  
7 Directors, as such, shall not receive any salary for their services, but by resolution of the Board  
8 of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at  
9 each regular meeting of the Board of Directors. Except in emergencies, no Director shall receive  
10 compensation for serving the Cooperative in any other capacity, nor shall any close relative of a  
11 Director receive compensation for serving the Cooperative unless such compensation for serving  
12 shall be specifically authorized by a vote of the Board of Directors.

13  
14 *Section 5. Close Relative Defined*

15 As used in these Bylaws, a “close relative” is a person who, by blood or in law, including step  
16 and adoptive kin, is a spouse, child, grandchild, parent, grandparent, brother, sister, and, uncle,  
17 aunt, nephew, or niece of the director.

18 *Section 6. Rules and Regulations*

19 The Board of Directors shall have power to make and adopt such rules and regulations, not  
20 inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may  
21 deem advisable for the management, administration and regulation of the business and affairs of  
22 the Cooperative.

23 *Section 7. Accounting System and Reports*

24 The Board of Directors shall cause to be established and maintained a complete accounting  
25 system, which, among other things, subject to applicable laws and rules and regulations of any  
26 regulatory body, shall conform to such accounting system as may from time to time be  
27 designated by the Administrator of the Rural Utilities Service of the United States of America,  
28 any successor thereto or other applicable authority. The Board of Directors shall also, after the  
29 close of each fiscal year, cause to be made a full and complete audit of the accounts, books and  
30 financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall  
31 be presented to the members at the following annual meeting.

32 *Section 8. Changes in Rates*

33 Written notice shall be given to the Administrator of the Rural Utilities Service of the United  
34 States of America, any successor thereto or other applicable authority not less than ninety (90)  
35 days prior to the date upon which any proposed change in the rates charged by the Cooperative  
36 for electric energy become effective.

37 *Section 9. Qualifications and Tenure*

38 Directors to replace those whose terms have expired shall be elected to serve for three (3) years,  
39 and vacancies may be filled for the remainder of the term for which a former director whose seat  
40 is then vacant was elected. Directors shall serve until their successors shall have been elected and  
41 qualified, subject to the provisions of these Bylaws with respect to the removal of directors. In

1 the event the Board reconstitutes its membership districts and as a result an existing director no  
 2 longer reside within that district, it shall not affect the remaining term of that director in that  
 3 district. No person shall be eligible to become or remain a director or to hold any position of  
 4 trust in the Cooperative who is not a member of the particular District which he is to represent,  
 5 as required by Section 2.c. of this Article, or who is in any way employed by or financially  
 6 interested in a competing enterprise. When a membership is jointly held by a husband and wife,  
 7 either one, but not both, may be elected a director, provided, however that neither one shall be  
 8 eligible to become or remain a director or to hold a position of trust in the Cooperative unless  
 9 both shall meet the qualifications herein above set forth.

10  
 11 *Section 10. Removal of Directors*

12  
 13 Any member may for cause bring charges against a director by filing them in writing with the  
 14 Secretary of the Cooperative, together with a petition signed by five percent (5%) of the  
 15 members of that district, requesting the removal of the director in question. The petition shall  
 16 state succinctly the reasons being alleged for the director's recall and be approved by the Board  
 17 as to form and clarity prior to circulation. The Cooperative shall cause the signatures upon the  
 18 petition to be verified as to authenticity of signatures of membership. The removal shall be voted  
 19 at the next regular or special meeting of the district in which the director in question resides. The  
 20 director in question shall be informed in writing of the charges not less than thirty (30) days prior  
 21 to the meeting and shall have the opportunity to be heard in person or by counsel after the person  
 22 or persons bringing the charges against that director shall have had the same opportunity. The  
 23 director in question shall be removed upon the affirmative vote of the majority of members  
 24 voting at the district meeting at which a quorum is present.

25  
 26 **ARTICLE IV**

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27  
 28 **MEETING OF DIRECTORS**

29 *Section 1. Regular Meetings*

30 The annual meeting of the Board shall be held at the first board meeting following the Annual  
 31 Meeting of the Cooperative. The purpose of this meeting is to seat newly elected directors and to  
 32 elect the officers of the Board. A minimum of ten regular meetings of the Board of Directors  
 33 shall also be held at such times and place as the Board may determine by resolution. These  
 34 meetings may be held without notice other than the resolution fixing the date, time and place,  
 35 except when business to be transacted requires notice.

36 *Section 2. Special Meetings*

37 Special Meetings of the Board of Directors may be called by the President or any three (3)  
 38 directors. The person or persons authorized to call special meetings of the Board of Directors  
 39 may fix the time and place within the Cooperative's service territory for the holding of any  
 40 special meeting of the Board of Directors called by them.

1 *Section 3. Notice*

2 Notice of time, place and purpose of any special meeting of the Board of Directors shall be given  
3 at least five (5) days previous thereto, by written notice, delivered personally, electronically, or  
4 mailed, to each director at his last known address. If mailed, such notice shall be deemed to be  
5 delivered when deposited in the United States mail so addressed with postage thereon prepaid.  
6 The attendance of the director at any meeting shall constitute a waiver of notice of such meeting,  
7 except in case a director shall attend a meeting for the express purpose of objecting to the  
8 transaction of any business because the meeting shall not have been lawfully called or convened.

9 *Section 4. Quorum*

10 A majority of the full Board of Directors shall constitute a quorum for the transaction of business  
11 at any meeting of the Board of Directors, provided however, that if less than a majority of the  
12 directors are present at said meeting, a majority of the directors present may adjourn the meeting  
13 from time to time without further notice.

14 *Section 5. Manner of Acting*

15 Except as otherwise provided in these Bylaws, the act of the majority of the directors present at a  
16 meeting at which a quorum is present shall be the act of the Board of Directors.

17  
18 *Section 6. Proxy Voting*

19  
20 Proxy voting shall not be allowed at any meetings of the Board.  
21  
22

23 *Section 7. Order of Business*

24  
25 The President of the Cooperative, or in his absence, the Vice President, shall preside at all  
26 meetings and establish the Order of Business.  
27

28 *Section 8. Contracts between the Cooperative and Directors*

29  
30 Any contract or other transaction between the Cooperative and any of its directors (or any firm of  
31 which any of its directors or their close relatives are interested as owners or employees) shall not  
32 be invalid or voidable solely because of such interest (i) if the fact of such director's or close  
33 relative's interest is made known to the Board, and (ii) the Board authorizes, approves and/or  
34 ratifies such contract or transaction by a majority vote of the disinterested directors.  
35

36 **ARTICLE V**

37 \_\_\_\_\_

38 *Section 1. Number* **OFFICERS**

39 The officers of the Cooperative shall be President, Vice President, Secretary and Treasurer, and  
40 such officers as may be determined by the Board of Directors from time to time. The offices of  
41 Secretary and Treasurer may be held by the same person.

1 *Section 2. Election and Term of Office*

2 The officers shall be elected, by ballot, annually by and from the Board of Directors at the first  
3 meeting of the Board of Directors held after each Annual Meeting of the members. If the election  
4 of officers shall not be held at such meeting, such election shall be held as soon thereafter as  
5 conveniently may be. Each officer shall hold office until his successor shall have been duly  
6 elected and shall have qualified, subject to the provisions of these Bylaws with respect to the  
7 removal of officers.

8 *Section 3. Removal*

9 Any officer or agent elected or appointed by the Board of Directors may be removed by the  
10 Board of Directors whenever, in its judgment, the best interest of the Cooperative will be served  
11 thereby.

12 *Section 4. Vacancies*

13 Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the  
14 Board of Directors for the unexpired portion of the term.

15 *Section 5. President*

16 The President (a) shall be the principal executive officer of the Cooperative and shall preside at  
17 all meetings of the members and of the Board of Directors, (b) shall sign any deed, mortgages,  
18 deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors  
19 to be executed, except in cases in which the signing and execution thereof shall be expressly  
20 delegated by the Board of Directors or by these Bylaws to some other officer or agent of the  
21 Cooperative, or shall be required by law to be otherwise signed or executed; and (c) in general  
22 shall perform all duties incident to the office of President and such other duties as may be  
23 prescribed by the Board of Directors from time to time.

24 *Section 6. Vice President*

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

29 *Section 7. Secretary*

30 The Secretary shall, (a) keep the minutes of the meetings of the members and the Board of  
31 Directors in one or more books provided for that purpose, (b) see that all notices are duly given  
32 in accordance with these Bylaws or as required by law, (c) be custodian of the corporate records  
33 and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all  
34 documents, the execution of which on behalf of the Cooperative under its seal is duly authorized  
35 in accordance with the provisions of these Bylaws, (d) keep a register of the Post Office address  
36 of each member, (e) have general charge of the books of the Cooperative in which a record of the  
37 members is kept, (f) keep on file at all times a complete copy of the Bylaws of the Cooperative  
38 containing all amendments thereto, which copy shall always be open to the inspection of any  
39 member, and assure that the Cooperative's website includes a copy of the Bylaws and of all  
40 amendments thereto, and (g) in general perform all duties incident to the office of Secretary and  
41 such other duties as from time to time may be assigned to him by the Board of Directors. The

1 Secretary, at his discretion, may delegate the duties of his office to another director or an  
2 employee of the Cooperative.

3 *Section 8. Treasurer*

4 The Treasurer shall, (a) have charge and custody of and be responsible for all funds and  
5 securities of the Cooperative, (b) receive and give receipts for moneys due and payable to the  
6 Cooperative from any source whatsoever and deposit all such moneys in the name of the  
7 Cooperative in such bank or banks as shall be selected in accordance with the provisions of these  
8 Bylaws, and (c) in general perform all the duties incident to the office of Treasurer and such  
9 other duties as from time to time may be assigned to him by the Board of Directors. The  
10 Treasurer, at his discretion, may delegate the duties of his office to another director or an  
11 employee of the Cooperative.

12

13 *Section 9. General Manager*

14 The Board shall appoint a General Manager/Chief Executive Officer who may be a member of  
15 the Cooperative. The General Manager/Chief Executive Officer shall perform such duties as the  
16 Board may require of that officer and shall have the authority as the Board may vest in him. The  
17 General Manager/Chief Executive Officer may appoint managers and other staff as deemed  
18 appropriate to assist in the performance of assigned duties.

19 *Section 10. Bonds of Officers*

20 The Board of Directors shall require the Treasurer or any other officer of the Cooperative  
21 charged with responsibility for the custody of any of its funds or property, to give bond in such a  
22 sum and with such surety as the Board of Directors shall determine. The Board of Directors in its  
23 discretion, may also require any other officer, agent or employee of the Cooperative to give bond  
24 in such amount and with such surety as it shall determine.

25 *Section 11. Compensation*

26 The compensation, if any, of any director, officer, agent, or employee who is also a director or  
27 close relative of a director, shall be determined by the Board of Directors, as provided elsewhere  
28 in these Bylaws, and the powers, duties and a budget including compensation of any other  
29 officers, and employees shall also be approved by the Board of Directors.

30 *Section 12. Reports*

- 31 a) The officers of the Cooperative shall submit at each Annual Meeting of the members  
32 reports covering the business of the Cooperative for the previous fiscal year and showing  
33 the condition of the Cooperative at the close of such fiscal year.  
34 b) The officers or their designees shall provide members with an annual report detailing the  
35 financial condition of the Cooperative after the close of the fiscal year.

36

1 **ARTICLE VI**

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3 **CONTRACTS, CHECKS AND DEPOSITS**

4 *Section 1. Contracts*

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

9 *Section 2. Checks, Drafts, etc.*

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

14 *Section 3. Deposits*

15 All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative  
16 in such financial institutions or secure investments as the Board of Directors may select.

17

18 **ARTICLE VII**

19

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20 **INDEMNIFICATION**

21 The Cooperative shall indemnify directors, officers, and employees against liability to the extent  
22 that their acts or omissions constituting the grounds for the alleged liability were performed in  
23 their official capacity, and if actionable, were based upon good faith business judgments and the  
24 belief that the acts or omissions were in the best interests of the Cooperative. The Cooperative  
25 may purchase insurance to cover such indemnification.

26

27 **ARTICLE VIII**

28

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29 *Section 1. Interest or Dividends on Capital Prohibited*

30 The Cooperative shall at all times be operated on a Cooperative, non-profit basis for the mutual  
31 benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on  
32 any capital furnished by its members.

33 *Section 2. Patronage Capital in Connection with Furnishing Electric Energy*

34 In furnishing electric energy, the Cooperative's operations shall be so conducted that all members  
35 will, through their patronage, furnish capital for the Cooperative. In order to induce the  
36 patronage and to assure that the Cooperative will operate on a non-profit basis to all its members,

1 for all amounts received and receivable from the furnishing of electric energy in excess of  
2 operating costs and expenses properly chargeable against the furnishing of electric energy. All  
3 such amounts in excess of operating costs and expenses at the moment of receipt by the  
4 Cooperative are received with the understanding that they are furnished by the members as  
5 capital. The Cooperative is obligated to pay by credits to a capital account for each patron, all  
6 such amounts in excess of operating costs and expenses. The books and records of the  
7 Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the  
8 amount of capital, if any, furnished by each patron is clearly reflected and credited in an  
9 appropriate record to the capital account of each patron of the amount of capital so credited to his  
10 account. All such amounts credited to the capital account of any member shall have the same  
11 status as though they had been paid cash in pursuance of a legal obligation to do so and the  
12 member had then furnished the Cooperative corresponding amounts for capital. An outstanding  
13 balance will be offset and applied prior to refund or return or any capitals credits.

14 *Section 3.* In the event of dissolution or liquidation of the Cooperative, after all outstanding  
15 indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired  
16 without priority of a pro-rata basis before any payments are made on account of property rights  
17 of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall  
18 determine that the financial condition of the Cooperative will not be impaired thereby, the capital  
19 then credited to member's accounts may be retired in full or in part. Any such retirements of  
20 capital shall be made in order of priority as determined appropriate by the Board of Directors. In  
21 no event, however, may any such capital be retired in violation of any borrowing or other  
22 binding agreements.

23 *Section 4.* Capital credit to the account of each member shall be assignable only on the books of  
24 the Cooperative pursuant to written instruction from the assigner and only to successors in  
25 interest or successors in occupancy in all or part of such member premises served by the  
26 Cooperative unless the Board of Directors, acting under policies of general application, shall  
27 determine otherwise.

28 *Section 5.* Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its  
29 discretion, shall have the power at any time, upon the death of any patron, if the legal  
30 representative of his estate shall request in writing that the capital credit to any such patron be  
31 retired to the time such capital would otherwise be retired under provisions of these Bylaws, to  
32 retire capital credited to any such member immediately upon such terms and conditions as the  
33 Board of Directors, acting under policies of general application, and the legal representatives of  
34 such member's estate shall agree upon; provided, however, that the financial condition of the  
35 Cooperative will not be impaired thereby.

36 *Section 6.* The members of the Cooperative, by dealing with the Cooperative, acknowledge that  
37 the terms and provisions of these Bylaws shall constitute and be a contract between the  
38 Cooperative and each member, and both the Cooperative and the members are bound by such  
39 contract, as fully as though each member had individually signed a separate instrument  
40 containing such terms and provisions.

41

1 **ARTICLE IX**

2

3

**UNCLAIMED FUNDS**

4 Any capital credits, refunds, deposits, membership fees, account balances or book equity which  
 5 remain unclaimed for a period of five (5) years following reasonable notice and attempted  
 6 payment by the Cooperative to a member or former members, shall be added to the general funds  
 7 of the Cooperative and the member or former member shall not have claim to these funds.

8 **ARTICLE X**

9

10

**DISPOSITION OF PROPERTY**

11 The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or  
 12 substantially all of its property unless such sale, mortgage, lease or other disposition or  
 13 encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not  
 14 less than a majority of all members of the Cooperative, and unless the notice of such proposed  
 15 sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice  
 16 of the meeting; provided, however, that notwithstanding anything herein contained, the Board of  
 17 Directors, without authorization by the members thereof, shall have full power and authority to  
 18 authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon,  
 19 or the pledging or encumbering of, any or all the property assets, rights, privileges, licenses,  
 20 franchises, and permits of the Cooperative, whether acquired or to be acquired and wherever  
 21 situated, as well as the revenues and income there from all upon such terms and conditions as the  
 22 Board shall determine, to secure any indebtedness of the Cooperative.

23

24 **ARTICLE XI**

25

26

**FISCAL YEAR**

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

29

30 **ARTICLE XII**

31

32

**SEAL**

33 The Corporate Seal of the Cooperative shall be in the form of a circle and shall have inscribed  
 34 thereon the name of the Cooperative and the words "Corporate Seal, Michigan."

35

36



1 **ARTICLE XIII**

3 **AMENDMENTS**

4 These Bylaws may be altered, amended or repealed by the affirmative vote of two-thirds (2/3) of  
5 the members of the Cooperative voting at any annual or special meeting at which a quorum is  
6 present or by the affirmative vote of two-thirds (2/3) of the members of the Board at any regular  
7 or special meeting of the Board, provided that notice of the proposed alteration, amendment or  
8 repeal shall have been given with the notice of the member or board meeting at which the vote is  
9 taken. The Board shall not make or alter any provision fixing their qualifications, classifications,  
10 or terms of office. The Board shall not make, alter, amend or repeal any Bylaw provision  
11 adopted or repealed by the members of the Cooperative for a period of two (2) years after the  
12 effective date thereof.

13 \*\*\*\*\*

15 **STATEMENT OF NONDISCRIMINATION**

16 The Ontonagon County Rural Electrification Association is the recipient of Federal financial  
17 assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and  
18 is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504  
19 of the Rehabilitation Act of 1973, as amended, The Age Discrimination Act of 1975, as  
20 amended, and the Rules and Regulations of the U.S. Department of Agriculture which provides  
21 that no person in the United States, on the basis of race, color, national origin, age, or handicap  
22 shall be excluded from participation in, admission or access to, denied the benefits of, or  
23 otherwise be subjected to discrimination under any of this organization's programs or activities.

24 The person responsible for coordinating this organization's Nondiscrimination Compliance  
25 efforts is its General Manager. Any individual, or specific class of individuals, who feels that  
26 this organization has subjected them to discrimination may obtain further information about the  
27 statues and regulations listed above from and/or file a written complaint with this organization or  
28 the Secretary, U.S., Department of Agriculture, Washington, D.C. 20250; or the Administrator,  
29 Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after  
30 the alleged discrimination. Confidentiality will be maintained to the extent possible.

31  
32 **ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION**  
33 **MEMBERSHIP CERTIFICATE**

34  
35 The Ontonagon County Rural Electrification Association is a consumer cooperative organized  
36 pursuant to the subject to the Consumer Cooperative Act, as amended, MCA450.3100 et. seq.  
37 The purpose of becoming a member of the Cooperative is to assure access to the goods and  
38 services and facilities of the Cooperative and not to gain a profit.

39  
40 The voting rights of members and the right of members to notice of meeting are outlined in the  
41 Bylaws. The Cooperative's Bylaws are included on the Cooperative's website.

42  
43 The qualifications for admission and retention of membership are outlined in the Bylaws.

44  
45 The Cooperative may terminate membership pursuant to the terms outlined in the Bylaws.

1  
2 Membership in the Cooperative is not transferable.  
3  
4 The only right to redemption by members is upon the retirement of capital as outlined in the  
5 Bylaws.  
6  
7 Members have the rights to call a special meeting of the membership according to the procedures  
8 outlined in the Bylaws.  
9  
10 The Board of Directors may decide to present any questions to the members for consideration by  
11 mail ballot. Mail ballots must be submitted in accordance with the provisions contained in the  
12 Bylaws  
13 .  
14 Members are entitled to receive a copy of the annual report of the Cooperative and may request  
15 any additional material information concerning the Cooperative by making the request in writing  
16 to: Office of the General Manager, The Ontonagon County Rural Electrification Association, 500  
17 J.K. Paul Street, Ontonagon, MI 49953.

This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination,  
Complete the [USDA Program Discrimination Complaint Form](http://www.ascr.usda.gov/complaint_filing_cust.html) (PDF), found online at  
[http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866)  
632-9992 to request the form. You may also write a letter containing all of the information  
requested in the form. Send your completed complaint form or letter to us by mail at U.S.  
Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue,  
S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at  
[program.intake@usda.gov](mailto:program.intake@usda.gov).