

**BYLAWS of the
MIDWEST ENERGY COOPERATIVE
Cassopolis, MI 49031**

2010

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**BYLAWS of the
MIDWEST ENERGY COOPERATIVE
Cassopolis, MI 49031**

ARTICLE I - MEMBERS

Section 1 - Qualifications and Obligations

- (A) Any natural person, association, corporation, limited liability company, partnership or body politic (each hereinafter referred to as "person") may become a member of the Cooperative by:
- 1) agreeing to purchase from the Cooperative electric power and energy as hereinafter specified;
 - 2) agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors; and
 - 3) paying any security deposit, service connection deposit or fee, facilities extension deposit, contribution in aid of construction, and any other fee or charge or combination thereof, as required by the Cooperative.
- (B) No persons may hold more than one (1) membership in the Cooperative.
- (C) Each association, corporation, limited liability company, partnership or body politic non-natural member shall designate its representative to the Cooperative on its stationary signed by its chief executive officer and file such designation with the Cooperative. Said representative shall be eligible to vote, and run for elective office, if all other qualifications are met, on behalf of the non-natural member.
- (D) The Board may, in its discretion, either require or not require membership of a governmental unit or agency as a condition to obtain service.
- (E) Upon complying with the requirements of this Section, any person shall be accepted into membership in, and become eligible to receive electric service from, the Cooperative, unless the Board shall determine that such person is unwilling or unable to satisfy and abide by the Cooperative's rules or regulations or that such membership should be rejected for other causes.

Section 2 - Joint Membership

- (A) A husband and wife may hold a joint membership or, if one of them is already a member, may convert such membership into a joint membership and, subject to compliance with the requirements set forth in Section 1 of Article I of these Bylaws, be accepted for such membership. The term "member" as used in these Bylaws, shall be deemed to include a husband and wife holding a joint membership, and any provision relating to the rights and liabilities of membership shall apply equally to holders of joint membership.
- (B) Without limiting the generality of the foregoing, a joint membership shall be as follows:
- 1) The presence at a meeting of either or both shall be regarded as the presence of a member;
 - 2) The presence at a meeting of either or both shall constitute a waiver of notice of the

meeting by both;

- 3) The vote of either separately or both jointly shall constitute one joint vote. Provided, that if both are present but in disagreement on such vote, each shall cast only one-half ($\frac{1}{2}$) vote;
- 4) A waiver of notice signed by either or both shall constitute notice to both;
- 5) Notice to either shall constitute notice to both;
- 6) Termination of either shall terminate the joint membership;
- 7) Withdrawal of either shall terminate the joint membership;
- 8) Neither shall be permitted to have additional service connections except through their joint membership;
- 9) Either, but not both concurrently, shall be eligible to serve as a director of the Cooperative;
- 10) Upon the death of either spouse 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 the membership had never been joint. Provided, that the estate of the deceased spouse shall not be released from any debts due the Cooperative; and
- 11) Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint. Provided, that the other spouse shall not be released from any debts due the Cooperative.

Section 3 - Purchase of Electric Power or Energy

- (A) Except as otherwise provided by law, each member shall, as soon as electric power or energy shall be available, purchase from the Cooperative all electric power or energy used on the premises specified in the member's application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board of Directors and approved as may be required by the law. It is expressly understood that all amounts received and receivable for the furnishing of electric power and energy by the Cooperative in excess of its operating costs and expenses properly chargeable against the furnishing of electric power and energy are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount as indicated in the tariffs, regardless of the amount of electric power or energy consumed, as shall be fixed by the Board of Directors from time to time and as may be required by law. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.
- (B) Production or use of electrical power or energy on a member's premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative and as may be required by law.
- (C) The Cooperative shall use reasonably diligent efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous

and uninterrupted supply of power and energy.

- (D) With respect to a particular classification of service for which the Board may require a supplemental contract, executed by the person.

Section 4 - Member's Responsibilities

- (A) Each member shall cause all premises receiving electric power or energy service from the Cooperative to become and remain wired in accordance with applicable local, state and federal codes, ordinances and statutes.
- (B) Each member shall be responsible for and indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect or improper use or maintenance of such premises and all wiring and apparatus connected thereto and used thereon.
- (C) Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereupon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference for meter reading, bill collecting and for inspection, maintenance (including, but not limited to, vegetation control, tree trimming or removal), replacement, relocation, repair or disconnection of such facilities at all reasonable times.
- (D) As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use best efforts to prevent others from so doing.
- (E) Each member shall also provide such protective devices and apparatus as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and operations, and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other cause when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or error occurring in the Cooperative's billing procedures.
- (F) In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.
- (G) Each member shall participate in any required program that may be established by the Cooperative to enhance load management, to more efficiently conserve electric energy, or to conduct load research.

Section 5 - Right of Way Easements

- (A) Each member shall, upon request for service, give to the Cooperative, without compensation therefor, all easements or right of way over, on and under such lands owned or leased by or mortgaged by the member, and in accordance with such reasonable terms and conditions, as the

Cooperative shall require for the furnishing of electric service (for the member or other customers) for the construction, operation, maintenance, extension to serve or cross adjacent properties or relocation of the Cooperative's electric facilities.

- (B) Any person who refuses to grant the Cooperative an easement or easements upon request, thereby causing the Cooperative to circumvent the member's property, may be admitted to membership or retain membership in the Cooperative only upon payment of the actual cost of any line changes made necessary by such refusal.

Section 6 - Expulsion of Members

- (A) The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the Board members, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws, or any rules or regulations adopted from time to time by the Board of Directors. The member must be given written notice by the Cooperative of the meeting at which his or her expulsion will be considered at least ten (10) days prior to said meeting. The member is entitled to be present and heard at the meeting.
- (B) Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. Any expelled member who wishes the membership to vote on reinstatement must deliver written notice to the Cooperative at least ten (10) days prior to the annual or special meeting of members. The action of the members with respect to any such reinstatement shall be final.
- (C) In the event of reinstatement, the Board, acting upon principles of general application, may establish such additional terms and conditions for renewed membership as it determined to be reasonably necessary to assure the person's compliance with all membership obligations.
- (D) Unless the Board shall expressly so elect in writing, expulsion shall not constitute release of such persons from membership obligations or entitle such expelled person to purchase from any other person electric power and energy for use at the premises to which such service has been furnished by the Cooperative pursuant to such membership.

Section 7 - Withdrawal of Membership

- (A) Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 8 - Transfer and Termination of Membership

- (A) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided, and upon death, cessation of existence, expulsion or withdrawal, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release the member or his/her estate from the debts or liabilities of such member to the Cooperative.
- (B) A membership may be transferred by a member to the member and his/her spouse jointly upon the written request of such member and compliance by such spouse jointly with the provisions of section 2 (A) of this Article. Such transfer shall be made and recorded on the books of the Cooperative.
- (C) Termination of membership in any manner shall operate as a release of all right, title and interest

of the member in the property and assets of the Cooperative.

- (E) Upon the dissolution of a partnership or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by the remaining and/or partners in the same manner and to the same effect as though such membership had never been held by different partners. Provided, that neither a withdrawing partner nor a withdrawing partner's estate shall be released from any debts then due the Cooperative.

Section 9 - Removal of Directors

- (A) Any member may bring charges against any director by filing them in writing with the Secretary of the Cooperative, together with a petition signed by ten per cent (10%) or 300, whichever is the lesser, of the members, requesting the removal for cause of the director in question. The petition shall state succinctly the reasons being alleged for the director's removal and be approved by the Board as to form and clarity prior to circulation.
- (B) The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal shall be filled by the method provided in Section 3 of Article III of these Bylaws.
- (C) The director against whom charges have been brought shall be informed in writing of the charges not less than sixty (60) days prior to the meeting and shall have the opportunity to be heard at the meeting in person or by counsel. The director shall also have the right to present evidence after the person or persons bringing the charges against that director shall have had the same opportunity.

Section 10 – Petitions

- (A) Petitions by the membership authorized under these Bylaws shall be on forms prepared and available from the Secretary of the Cooperative.
- (B) With regard to such petitions, the following are required: (a) All members signing such petitions shall include thereon their mailing address; (b) Each member's signature appearing thereon shall be dated as of the date of signing; and (c) The person circulating such petition shall be an active member of the Cooperative and shall indicate under oath or affirmation at the end of each petition sheet his or her residence address, account number and that he or she circulated the petition and is acquainted with the persons whose names are affixed thereto and that such persons signed the petition in his or her presence.

ARTICLE II - MEETINGS OF MEMBERS

Section 1 - Annual Meeting

- (A) The annual meeting of the members shall be held in the month of April of each year, or such other date as may be designated by the Board of Directors, at such place in a county of the State of Michigan served by the Cooperative as shall be designated in the Notice of the meeting.
- (B) Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2- Special Meetings

- (A) Special meetings of the members may be called by at least five (5) Directors or upon a written request signed by at least ten (10%) per cent of all 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 a county of the State of Michigan served by the Cooperative, specified in the Notice of the Special meeting.

Section 3 - Notice of Members' Meeting

- (A) Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) days, nor more than forty-five (45) days, before the date of the meeting, either personally or by mail, by or at the direction of the Secretary to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of meeting of the members, shall not invalidate any action which may be taken by the members at any such meeting.

Section 4 – Quorum

- (A) Subject to the laws under which the Cooperative is organized, no less than fifty (50) members present in person or by proxy shall constitute a quorum for the transaction of business at all meetings of the members.

Section 5 – Voting

- (A) Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote of the members.
- (B) At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person (or by mail ballot if so authorized by the Board of Directors) except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or by these Bylaws.
- (C) The Board may decide to present any question to the members for consideration by mail ballot only. All questions presented to the membership by mail ballot shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or by these Bylaws; provided, however, that at least 50 members shall have cast mail ballots.

Section 6 - Order of Business

- (A) 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:
1. Determination of Quorum.
 2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
 3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
 4. Presentation and consideration of, and acting upon reports of Officers, Directors and Committees.

5. Unfinished business.
6. New business.
7. Adjournment.

Section 7 - Voting Districts

- (A) The territory served or to be served by the Cooperative shall be divided into nine districts. The southwest Michigan territory (Cass/Paw Paw Divisions) shall be divided into seven Districts, each of which shall contain as nearly as possible the same number of members. The southeast Michigan territory (Adrian Division) shall be divided into two districts, each of which shall contain as nearly as possible the same number of members. Each district shall be represented by one director.
- (B) From time to time, the Board of Directors shall review the composition of the Districts. If it is found that inequalities in representation have developed which can be corrected by a redelineation of Districts, the Board of Directors shall reconstitute the Districts, so that the Districts within each Division contain as nearly as possible the same number of members. A member being served by the Cooperative in more than one (1) District shall be entitled to vote in one (1) District only and at the time of application for membership or for additional service connection shall designate the District in which he/she shall vote.

Section 8 - Nominations of Directors

- (A) Candidates for Directors must be members residing in the District to be served, and must possess the qualifications for Director specified in Section 2 of Article III of these Bylaws.
- (B) Any thirty or more members who are residents of a particular District to be served may make nominations for the position of Board member from that District by petition. All Nomination Petitions must be submitted not less than twenty (20) days prior to the mailing of ballots for the election of Directors to be included on the official ballot.
- (C) The mail ballots in each District shall contain the names and addresses of the candidates so nominated.

Section 9 - Election of Directors

- (A) Not less than sixty (60) nor more than ninety (90) days before the annual meeting of the members, the Board of Directors shall cause an election of Directors in the appropriate Districts to be held. The election shall be held by mail ballot. Each member may cast one vote in his own District for one candidate. The candidate receiving the highest number of votes shall be considered elected as director to represent the District. If there is only one person nominated for the position of board member from a District, that person shall be deemed to be elected and mail ballots shall not be processed, mailed or tabulated for such District.
- (B) The ballot for the election of Directors shall be given either personally or by mail by the Secretary of the Cooperative. The ballots must be returned at least thirty (30) days prior to the annual meeting at which the results shall be announced. Except as provided above, the ballot shall be delivered to each member located in such District not less than sixty (60) days nor more than ninety (90) days before the date of such annual meeting and in the manner as provided in Section 3 of the Article II and shall state the District to which such member belongs.

ARTICLE III - DIRECTORS

Section 1 - General Powers

- (A) The business and affairs of the Cooperative shall be directed by a board of not less than nine (9) nor more than eleven (11) Directors which shall exercise all the powers of the Cooperative, except such as are by law or by Articles of Incorporation of the Cooperative, or by these Bylaws, conferred upon or reserved to the members.

Section 2 - Qualifications and Tenure

- (A) Directors shall be elected for a term of three (3) years. Election of Directors in the respective Districts shall be held each three (3) years in the manner and subject to the terms and provisions of Section 8 and 9 of Article II of these Bylaws, and the persons so elected shall compose the Board of Directors until their successors shall have been elected and shall have qualified. The terms shall be staggered such that three (3) Directors are elected annually.
- (B) No member shall be eligible to become or remain a director who is not a bona fide resident in the particular District which he/she is to represent, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative nor shall any person take or hold office as a Director if he or she has a close relative who is an employee of the Cooperative or becomes an employee of the Cooperative during the Director's term of office. 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. As used in this section, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of a Director.
- (C) Directors elected by mail ballot shall take office immediately following the conclusion of the annual meeting.

Section 3 - Vacancies

- (A) Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors. Newly appointed Directors must be a resident of the District for which he or she is appointed and shall take office immediately. A new Director elected to fill a vacancy caused by removal, retirement or death shall be subject to all of the qualifications of Directors set forth in these Bylaws. Directors elected to fill vacancies serve for the remaining term of the director whom they are elected to replace or until their successors have been elected and shall have qualified.

Section 4 - Rules and Regulations

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

Section 5 - Accounting System and Reports

- (A) The Board of Directors shall cause to be established and maintain a complete accounting system which, among other things, subject to applicable laws and conform to such accounting system as may from time to time be designated by the appropriate regulatory and/or governmental

authority.-The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year, by a certified public accountant. Upon request, a summary of such audit reports shall be provided to the members.

Section 6 - Compensation of Directors and Close Relatives

- (A) Directors shall not receive any salary for their services, but by resolution of the Board a fixed sum and expenses, if any, may be allowed for the attendance at Cooperative business. Except in emergencies, no director or close relative of a Director shall receive compensation for serving the Cooperative in any other capacity unless such compensation shall be specifically authorized by a vote of the members or by the affirmative vote of the majority of the Directors not involved. As used in this section, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of a Director.

ARTICLE IV - MEETINGS OF DIRECTORS

Section 1 - Regular Meetings

- (A) A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place as, the annual meeting of the members. Other meetings of the Board of Directors shall be held at such times and places as determined by the Board of Directors. Such meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2 - Special Meetings

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

Section 3 – Notice

- (A) Notice of the time, place, and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally, electronically or mailed, to each director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. In the event that an emergency meeting must be held, the five (5) days prior notice stipulation shall be waived and the Chairperson or those Directors authorized to call a special meeting shall provide the notice in person, electronically, or telephonically to each Director. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4 - Quorum

- (A) A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. The Secretary shall notify any absent Board members of the time and place of the adjourned meeting.

Section 5 - Manner of Acting

- (A) Except as otherwise provided by these Bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6 - Proxies

- (A) Proxy voting shall not be allowed at meetings of Directors.

Section 7 - Contracts Between Cooperative and Related Persons

- (A) Any contract or other transaction between the Cooperative and one (1) or more of its Directors, or between the Cooperative and any firm of which one (1) or more of its Directors are members or employees, or in which one or more of its Directors are interested, shall be valid for all purposes, notwithstanding the presence of such director or Directors at the meeting of the board of the Cooperative which acts upon or in reference to such contract or transaction, and notwithstanding the Director's or Directors' participation in such action, if the fact of such interest shall be disclosed or known to the board and the board shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Directors present, such interested director or Directors to be counted in determining whether a quorum is present, but not to be counted as voting upon the matter or in calculating the majority of such quorum necessary to carry such vote.

ARTICLE V – OFFICERS

Section 1 - Number

- (A) The officers of the Cooperative shall be a Chairperson, Vice Chairperson, President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

Section 2 - Election and Term of Office

- (A) The officers, except the President, shall be elected by ballot annually by and from the Board of Directors at the meeting held after each annual meeting. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

Section 3 - Removal

- (A) Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.

Section 4 - Vacancies

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

Section 5 - Chairperson

- (A) The Chairperson: (a) Shall preside at all meetings of the members and of and Board of Directors; (b) Sign any deeds, mortgages, deeds or 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 Cooperative, or shall be required by law to be otherwise signed or executed; and (c) In general shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6 - Vice-Chairperson

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

Section 7 - Secretary

- (A) The Secretary shall be responsible for: (a) Keeping the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose; (b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law; (c) Being custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is required or is duly authorized by these Bylaws; (d) Keeping a register of the post office address of each member which shall be furnished to the Secretary by such member; (e) Keeping on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member upon request; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors. The Secretary may delegate the performance of these duties to such assistant secretaries or Cooperative staff as may be appropriate.

Section 8 - Treasurer

- (A) The Treasurer shall be responsible for: (a) Receiving and giving receipts for moneys due and payable to the Cooperative from any source whatsoever and depositing all such money in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and (b) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors. The Treasurer may delegate the performance of these duties to such assistant treasurers or Cooperative staff as may be appropriate.

Section 9 - President

- (A) The Board of Directors may appoint a President who may be, but who shall not be required to be, a member of the Cooperative. The President shall be the chief executive officer of the Cooperative and shall perform such duties as the Board of Directors may from time to time require him or her and shall have such authority as the Board of Directors may from time to time vest in him or her. The President may appoint such vice-presidents as he or she deems appropriate to assist in the performance of such duties.

Section 10 - Bonds of Officers

- (A) The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to be bonded 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 Cooperative charged with responsibility for the custody of any of its funds or property, to be bonded in such sum and with such surety as the Board of Directors shall determine. The Cooperative shall pay the costs of all such bonds.

ARTICLE VI - CONTRACT, CHECKS AND DEPOSITS

Section 1 – Contracts

- (A) 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 instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2 – Checks

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

Section 3 – Deposits

- (A) All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such banks, financial institutions or secure instruments or other investments as the Board of Directors may select.

ARTICLE VII - NON-PROFIT OPERATION

Section 1 - Interest or Dividends on Capital Prohibited

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

Section 2 - Member Capital in Connection with Electric Energy

- (A) In the furnishing of electric power and energy, the Cooperative's operation shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members, for all amounts received and receivable from the furnishing of electric power and energy in excess of operating costs and expenses properly chargeable against the furnishing of electric power and energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay all such amounts in excess of operating costs and expenses to the members by credits to a capital account for each member. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and

credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to this account; provided, however, that individual notices of such amounts furnished to each member shall not be required if the Cooperative notifies all members of the aggregate amount of such excess.

Section 3 - Unclaimed Funds

- (A) Notwithstanding any other provision of these Bylaws, if any member or former member fails to claim any cash retirement of capital credits or other payment from the Cooperative within five (5) years after payment of the same has been made available to the member by notice or check mailed to the member at the last address furnished by the member to the Cooperative, such failure shall be and constitutes an irrevocable assignment by such member of such capital credit or other payment to the Cooperative and such payment shall be added to the general funds of the Cooperative. Failure to claim any such payment shall include the failure by such member or former member to cash any check mailed to him at the last address furnished by the member to the Cooperative. The assignment provided for under this section shall become effective only upon the expiration of five (5) years from the date when such payment was made available to such member or former member without claim therefore and only after the further expiration of sixty (60) days following the giving of a notice by mail that unless such payment is claimed within said sixty (60) day period, such assignment to the Cooperative shall become effective. The notice by mail shall be mailed by the Cooperative to such member or former member at the last known address. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice.

Section 4 – Contract

- (A) The members of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the Articles of Incorporation of the Cooperative and these Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member has individually signed a separate instrument containing such terms and provisions.

Section 5 - Other Receipts

- (A) All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of the members as provided in these Bylaws.

Section 6 - Dissolution or Liquidation

- (A) In the event of dissolution or liquidation of the Cooperative, the assets of the Cooperative shall be distributed in accordance with the Cooperative's Articles of Incorporation and/or applicable law.

Section 7 - Retirement of Capital

- (A) If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part. The Board shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

Section 8 - Assignment of Capital Credited

- (A) Except as otherwise expressly provided for in these Bylaws, capital credited to the account of each member shall not be assignable.

Section 9 - Deceased Member Capital Credits

- (A) Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member who is a natural person if the legal representatives of the deceased member's estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon. Provided, however, that the financial condition of the Cooperative will not be impaired thereby and that the aggregate amounts so retired in any one year shall be set by resolution of the Board of Directors; and provided further, that, if said limitation prevents the retirement in one year of all the capital credits due said deceased member or members, that said deficit shall be paid the next succeeding year before any other retirements are made.

ARTICLE VIII - WAIVER OF NOTICE

- (A) Any member or director may waive, in writing, any notice of meeting required to be given by these Bylaws.

ARTICLE IX - FISCAL YEAR

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

ARTICLE X - MEMBERSHIP IN OTHER ORGANIZATIONS

- (A) The Cooperative shall not become a member of any other organization without affirmative vote of the members of the Board of Directors present at the meeting at which such membership is being voted upon.

ARTICLE XI – SEAL

- (A) The Cooperative seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Michigan."

ARTICLE XII - AMENDMENTS

- (A) These Bylaws may be altered, amended or repealed by the affirmative vote of two-thirds (2/3) of the Board of Directors at any regular or special meeting of the Board of Directors, of which meeting notice shall have been given, provided that notice of such proposed alterations, amendment or repeal shall have been contained in the notice of such meeting; and provided further, that the Board of Directors shall not make, alter, amend or repeal any Bylaws fixing their qualifications, classifications, or terms of office.
- (B) These Bylaws may be altered, amended or repealed by the members of the Cooperative at any regular or special meeting of the members, provided however, that at least thirty (30) days

advance notice shall be given of any proposed alteration, amendment or repeal of the Bylaws by the members at any regular, annual or special members meeting; that such alteration, amendment or repeal shall be proposed by petition filed with the Chairperson of the Cooperative signed by not less than 5% of the members of the Cooperative and such petition shall be filed not less than forty-five (45) nor more than sixty (60) days in advance of such annual or special members meeting; upon such petition being properly signed and duly filed, the Chairperson shall see that the required notice is mailed to each member at least thirty (30) days in advance of such meeting as herein provided. The Board of Directors shall not make alter, amend or repeal any Bylaw adopted or repealed by the members for a period of two (2) years after the effective date thereof.

ARTICLE XIII - INDEMNIFICATION

- (A) Each person who is or was a trustee, director, officer or member of a committee of the corporation and each person who serves or has served at the request of the corporation, as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the corporation to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent or the corporation to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

**MIDWEST ENERGY COOPERATIVE
MEMBERSHIP CERTIFICATE**

Midwest Energy Cooperative (the "Cooperative") is a consumer cooperative organized pursuant to the subject to the Consumer Cooperative Act, as amended, MCA § 450.3100 et. seq.

The purpose of becoming a member of the Cooperative is to assure access to the goods, services and facilities of the Cooperative and not to gain profit.

The voting rights of members and right of members to notice of meeting are outlined in Article II of the Bylaws. The Cooperative Bylaws are included.

The qualifications for admission to and retention of membership are outlined in Article I of the Bylaws. Midwest Energy Cooperative may terminate membership pursuant to the terms of Article I, Section 8 of the Bylaws.

Membership in the Cooperative is not transferable.

The only rights to redemption by members is upon the retirement of capital as outlined in Article VII, Section 6 of the Bylaws.

Members have the right to call a special meeting of the membership upon a petition signed by at least ten percent of the membership. Procedures for calling a special meeting are outlined in Article II of the Bylaws.

The Board of Directors may decide to present any questions to the members for consideration by mail ballot. Mail ballots must be submitted in accordance with the provisions of Article II, Section 6 of the Bylaws.

Members are entitled to receive a copy of the annual report of Midwest Energy Cooperative and may request any additional material information concerning the Cooperative by requesting such material in writing to:

Office of the President
Midwest Energy Cooperative
P.O. Box 127
901 East State Street
Cassopolis, MI 49031

Initial Member Capital: None