



CORDOVA ELECTRIC COOPERATIVE, INC.

ARTICLES OF INCORPORATION
&
BYLAWS

As Amended March 21, 2022

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
ARTICLES OF INCORPORATION	3
ARTICLE I.....	3
ARTICLE II.....	3
ARTICLE III.....	3
ARTICLE IV	4
ARTICLE V	4
ARTICLE VI	4
ARTICLE VII	4
BYLAWS.....	6
ARTICLE I – MEMBERSHIP	6
Section 1. Requirements for Membership	6
Section 2. Membership Cards.....	6
Section 3. Joint Membership	6
Section 4. Conversion of Membership	6
Section 5. Purchase of Electric Energy.....	7
Section 6. Termination of Membership.....	7
Section 7. Notification of change in membership	7
ARTICLE II – RIGHTS AND LIABILITIES OF MEMBERS.....	7
Section 1. Property Interest of Members.....	7
Section 2. Non-liability for Debts of the Cooperative	8
ARTICLE III – MEETING OF MEMBERS	8
Section 1. Annual Meeting	8
Section 2. Special Meetings.....	8
Section 3. Notice of Members’ Meetings.....	8
Section 4. Quorum.....	9
Section 5. Voting.....	9
Section 6. Voting by Mail.....	9
Section 7. Order of Business.....	10
ARTICLE IV – BOARD MEMBERS	10
Section 1. General Powers.....	10
Section 2. Election and Tenure of Office	10
Section 3. Qualifications	10
Section 4. Nomination	11
Section 5. Removal of Board Member by Members	11
Section 6. Vacancies	12
Section 7. Compensation.....	12
Section 8. Employment of Board Members	12
ARTICLE V – MEETING OF BOARD	12

Cordova Electric Cooperative, Inc.
Articles of Incorporation & Bylaws (As Amended 3/21/22)

Section 1. Regular Meetings	12
Section 2. Special Meeting.....	13
Section 3. Notice of Board Meetings	13
Section 4. Executive Session	13
Section 5. Quorum	13
Section 6. Attendance at Meetings	13
Section 7. Emergency Meetings	13
ARTICLE VI – OFFICERS	14
Section 1. Number	14
Section 2. Election and Term of the Office.....	14
Section 3. Removal of Officers and Agents by the Board.....	14
Section 4. Specific Responsibilities of the Board.....	14
Section 5. Chairman.....	14
Section 6. Vice Chairman	14
Section 7. Secretary	15
Section 8. Treasurer.....	15
Section 9. Chief Executive Officer (CEO).....	15
Section 10. Bonds of Officers.....	15
Section 11. Compensation.....	15
Section 12. Reports.....	16
ARTICLE VII – NON-PROFIT OPERATION.....	16
Section 1. Interest or Dividends on Capital Prohibited	16
Section 2. Patronage Capital in Connection with Furnishing Electric Energy	16
ARTICLE VIII – DISPOSITION OF PROPERTY	17
ARTICLE IX – SEAL	17
ARTICLE X – FISCAL MANAGEMENT AND ACCOUNTING	17
Section 1. Revenues and Expenditures.....	17
Section 2. Accounting System and Reports	17
ARTICLE XI – FINANCIAL TRANSACTIONS	18
Section 1. Contracts.....	18
Section 2. Checks, Drafts, etc	18
Section 3. Deposits	18
Section 5. Fiscal Year	18
Section 6. Budget.....	18
Section 7. Purchasing by Board or CEO	18
ARTICLE XII – MISCELLANEOUS	19
Section 1. Membership in Other Organizations	19
Section 2. Waiver of Notice	19
Section 3. Policies Rules and Regulations.....	19
Section 4. Area Coverage.....	19
ARTICLE XIII – AMENDMENTS	19

ARTICLES OF INCORPORATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being natural persons of the age of nineteen years or more and citizens of the United States of America and residents of the State of Alaska, have this day united and associated ourselves together for the purpose of forming a non-profit Cooperative association under the provisions of AS 10.25 and all laws amendatory thereof and supplemental thereto, and we do hereby make, sign and acknowledge the following Articles of Incorporation.

ARTICLE I

The name of the Corporation shall be:
CORDOVA ELECTRIC COOPERATIVE, INC.

ARTICLE II

The address of the principal office shall be:
P.O. Box 20, Cordova, Alaska 99574-0020

ARTICLE III

The purpose or purposes for which this Corporation is formed are:

- a. To generate, manufacture, purchase, acquire and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and to non-members and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machines, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- b. To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation.
- c. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the corporation to accomplish any or all of its purposes;
- d. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, of monies borrowed or in payment for property acquired, or for any of the other objects or purpose of the Corporation, to secure the payment of such bonds, notes, or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Corporation, wheresoever situated, acquired or to be acquired.

- e. To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all of the foregoing purposes or as may be permitted by the Act under which the Corporation is formed.

ARTICLE IV

Section 1. The Corporation is a non-profit corporation organized exclusively for the benefit of its members.

Section 2. Membership and membership fees shall be as prescribed in the Bylaws of the Corporation.

Section 3. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation.

ARTICLE V

The period of duration of this Corporation is perpetual. The registered office shall be located at 255 E. Fireweed Lane, Suite 200, Anchorage, Alaska 99503; the registered agent for service of process is Roger R. Kemppe, whose office is located at 255 E. Fireweed Lane, Suite 200, Anchorage, Alaska 99503.

ARTICLE VI

The number of directors of this Corporation shall be seven. The seven Directors shall be elected at the first organizational meeting of the Corporation. The names and post office addresses of the temporary Directors who shall manage the affairs and business of the Corporation until the election of the regular Directors at the first organizational meeting shall be the eleven incorporators as set forth in Article VII, below.

ARTICLE VII

The names and addresses of the incorporators of this Corporation are as follows:

Robert Banta, Box 12, Cordova, Alaska 99574
Jack Dinneen, Box 78, Cordova, Alaska 99574
Danny Glasen, Box 575, Cordova, Alaska 99574
Hollis Henrichs, Box 1000, Cordova, Alaska 99574
James Iliff, Box 694, Cordova, Alaska 99574
Axel Janson, Box 576, Cordova, Alaska 99574
John Joslin, Box 980, Cordova, Alaska 99574
Doug Longacre, Box 360, Cordova, Alaska 99574
Ken Roemhildt, Box 741, Cordova, Alaska 99574
Robert Turner, Sr. Box 260, Cordova, Alaska 99574
John R. Wilson, Box 813, Cordova, Alaska 99574.

**Cordova Electric Cooperative, Inc.
Articles of Incorporation & Bylaws (As Amended 3/21/22)**

IN WITNESS WHEREOF, we have hereunto set our hands and seals at Cordova, Alaska, this 8th day of December, 1977.

Robert Banta
Jack Dinneen
Danny Glasen
Hollis Henrichs
James Iliff
Axel Janson

John Joslin
Doug Longacre
Ken Roemhildt
Robert Turner, Sr.
John R. Wilson

STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, a Notary Public in and for the State of Alaska, duly sworn and commissioned as such, personally appeared ROBERT BANTA, JACK DINNEEN, DANNY GLASEN, HOLLIS HENRICHS, JAMES ILIFF, AXEL JANSON, JOHN JOSLIN, DOUG LONGACRE, KEN ROEMHILDT, ROBERT TURNER SR., and JOHN R. WILSON, known to me and to me known to be the individuals named in and whose names are subscribed to the foregoing Articles of Incorporation of Cordova Electric Cooperative, Inc., and they acknowledged to me that they signed, sealed, executed and delivered the said Articles of Incorporation as their free and voluntary act for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notary seal this 8th day of December, 1977.

Roger R. Kemppel
Notary Public in and for Alaska
My Commission expires April, 1979

BYLAWS

ARTICLE I – MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Cordova Electric Cooperative, Inc. (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors, and
- (d) Does not hold another membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.
- (e) The Board of Directors may require a member to execute an easement without cost along the consumer’s property line to serve other consumers provided such easement is consistent with an overall engineering plan for the area. Prior to requiring an easement, the Board of Directors shall hold a public hearing at which the member may present his opposition to the easement.

Section 2. Membership Cards. A membership card in numeric order is issued and signed by the member. It is retained by the Cooperative and used to verify their signature at the time of voting.

Section 3. Joint Membership. A user and co-user of a common utility may apply for joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these Bylaws shall be deemed to include a user and co-user holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

Section 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and co-user(s) to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by the Board.

- (b) Upon the death of either co-user(s) who is a party to the joint membership, such membership shall be held solely by the survivor(s), provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.
- (c) Upon divorce, unless otherwise provided by the divorce decree, the membership is terminated.

Section 5. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

Section 6. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, at its next regular meeting, by the affirmative vote of not less than a majority of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote by the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership card of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

Section 7. Notification of change in membership. When any person, firm, association, corporation, or body politic or subdivision requests service from the Cooperative or terminates services with the Cooperative, the City of Cordova may be notified and provided with the name of the member and the service address.

ARTICLE II – RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members. Upon dissolution, after

- (a) All debts and liabilities of the Cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each

bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

Section 2. Non-liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability of the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III – MEETING OF MEMBERS

Section 1. Annual Meeting.

- (a) The annual meeting of the members shall be held during the month of March of each year beginning with the year 1979 at such place within the area served by the Cooperative as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.
- (b) The Board of Directors may adopt policies to allow members to participate in an annual meeting by teleconference or similar communication that allows all members to hear each other during the meeting. A member participating in this manner shall be considered to have attended the meeting in person.

Section 2. Special Meetings.

- (a) Special meetings of the members may be called by a majority of the Board, or upon a written request signed by any three Board members, by the Chairman, or by ten per centum (10%) or more 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 the area served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.
- (b) The Board of Directors may adopt policies to allow members to participate in a special meeting by teleconference or similar communication that allows all member to hear each other during the meeting. A member participating in this manner shall be considered to have attended the meeting in person.

Section 3. Notice of Members' Meetings.

- (a) Written notice stating the place, day and hour of the annual meeting shall be delivered to each member either personally or by mail not less than fifteen (15) nor more than sixty (60) days before the date of the meeting. In the case of a special meeting, written notice stating the place, day, hour, and the specific purpose of any special meeting of the members shall be delivered to each member not less than ninety (90) nor more than one hundred twenty (120) days before the date of the meeting. Notice under this Section shall be given to each member by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered

when deposited in the United States mail, addressed to the member at the address of the member as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

- (b) Notice of a membership meeting may be provided by electronic mail or text message within the time limits listed in the Section. If sent by text or electronic mail, notice is considered given when the notice is sent to the member's telephone number, if the telephone is capable of receiving text messages, or the electronic mailing address on record with the Cooperative.

Section 4. Quorum.

- (a) As long as the total number of members does not exceed one thousand (1,000), five percent (5%) of the total number of members present in person shall constitute a quorum.
- (b) In case the total number of members shall exceed one thousand (1,000), fifty (50) members present at any meeting shall constitute a quorum.
- (c) If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.
- (d) For purposes of determining a quorum, a member who votes on a matter by electronic communication received or by mail postmarked before a meeting begins is considered to have attended the meeting in person for the matter on which the member voted.
- (e) The minutes of each meeting shall contain a list of the members present in person.

Section 5. Voting. Each membership shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority, and the Board of Directors shall be elected by a plurality of the members voting thereon in person or by mail except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Drawing by lot shall resolve any tie votes.

Section 6. Voting by Mail.

- (a) Voting by mail shall be permitted on all questions submitted to the members except for approval of minutes and routine procedural matters or as otherwise prohibited by law, the Bylaws, or the Articles of Incorporation.
- (b) Ballots for use by members voting by mail, together with a small ballot envelope and a large envelope imprinted with the voter's certificate, affixed with the address of the Cooperative, and the name and address of the voter, shall be mailed to each of the members in sufficient time in accordance with Article IV, Section 4 for such members to reasonably dispatch their ballots to meet the deadline affixed for receipt of ballots at the Cooperative's office in Cordova, Alaska. "Voter's certificate" is defined as a line or other space reserved for and containing the voter's signature. Ballots of members voting by mail must be received at the Cooperative headquarters in Cordova, Alaska, not later than the day of the annual meeting or special meeting or cast in person at the meeting.
- (c) An election committee of not less than three (3) members shall be appointed by the Board of Directors sufficiently in advance of the meeting to ensure validity of the mailed ballots to be counted at the meeting. The election committee shall cause ballots received by mail to be opened no earlier than 8 a.m. on the meeting date. If less than a quorum is present at

the meeting, the election committee shall cause to be preserved all ballots received by mail until such time as a quorum is present. In any case, marked ballots will be retained and secured for a period of ninety (90) days following the election, after which time they may be destroyed.

- (d) Voting by mail may include voting by electronic means as authorized by the Board of Directors.

Section 7. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a 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. Election of Board members.
5. Presentation and consideration of reports of officers, trustees and committees.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV – BOARD MEMBERS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of seven (7) members which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office. Directors shall be elected by secret ballot at annual meetings of the membership, by and from the members, to serve for a three (3) year term, or until their successors have been elected and qualified, provided in Article IV, Section 6 of these Bylaws, shall serve only for the unexpired portion of the term vacated.

At each subsequent meeting, the new members shall be elected to fill the seats on the Board which become vacant, or which become vacant as contemplated by Article IV, Section 6. If an election of Board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Board members within a reasonable time thereafter. Board members may be elected by a plurality vote of the members.

Section 3. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) Is not a Member in good standing of the Cooperative. “Member in good standing” means a Member who is not delinquent in payment of electric bills or other amounts due the

Cooperative under the provisions of the Cooperative's tariff or of any written agreement with the Cooperative;

- (b) Is not a natural person who is a member and bona fide resident in the area served or to be served by the Cooperative, or
- (c) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy.
- (d) Has violated Article XI, Section 7 of the Bylaws; or
- (e) Has been employed by CEC within the past two years or whose close relative has been employed by CEC within the past two years, as measured from the date of nomination, whether by petition or otherwise. For the purpose of this section, close relative includes parents, husband, wife, children, brothers and sisters.

Upon establishment of the fact that a Board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board member from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 4. Nomination. It shall be the duty of the Board to appoint, not less than seventy (70) days before the date of a meeting of the members which Board members are to be elected, a committee on nominations consisting of not less than five (5) nor more than seven (7) members who shall be selected from different sections so as to insure equitable representation among the nominees. No member of the Board may serve on such committee. The committee, keeping in mind the principle equitable representation, shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for Board members which shall include at least two (2) candidates for each Board position to be filled by the election. The Secretary shall be responsible for mailing, with the notice of the meeting or separately, but at least thirty (30) days before the date of the meeting, a statement of the number of Board members to be elected and the names of the candidates nominated by the committee on nominations, the candidates nominated by petition, and the official ballot. Any fifteen (15) or more members acting together may make other nominations by petition and the Secretary shall include such nominations on the official ballot if the petition is received by the Cooperative at least forty-five (45) days before the date of the meeting.

Section 5. Removal of Board Member by Members. Any member may bring charges for cause against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members or 300, whichever is lesser, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board members shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 6. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within ninety (90) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions in respect to nominations. In filling vacancies, the Board of Directors shall provide notice to the members of the vacancy through the Cooperative's website and allow thirty (30) days from the date of such notice for interested members to express interest in filling the Board seat.

Section 7. Compensation. Board members shall not receive any salary for their services as such, except that members of the Cooperative may, by resolution, authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. Entitlement to the fixed sum can be declined by any Board member. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close relative includes parents, husband, wife, children, brothers and sisters.

- (a) The Cooperative shall indemnify present and former directors, officers, including the Chief Executive Officer (CEO), agents, and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or were not against the best interests of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

Section 8. Employment of Board Members. A Board Member may not apply for or be hired by the Cooperative for a period of one year after the Board Member ceases to hold office. A close relative of a Board Member may not be hired by the Cooperative for a period of sixty (60) days after the Board Member ceases to hold office. For the purpose of this section, close relative includes parents, husband, wife, children, brothers and sisters.

ARTICLE V – MEETING OF BOARD

Section 1. Regular Meetings.

- (a) A regular meeting of the Board shall be held without notice, immediately after the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place within the area served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. Meetings of the Board shall be open to the membership.

- (b) Teleconference or videoconference meetings may be held upon the approval of a majority of the Board. Such participation will constitute attendance and presence in person at the meeting by the persons so participating. As long as members are provided with a reasonable means to listen to the open portion of the meeting, meetings held by teleconference or videoconference do not have to be held in a physical location.

Section 2. Special Meeting. Special meetings of the Board may be called by the Chairman or by any three (3) Board members, and it shall there upon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Board members calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Board Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Board member calling the meeting. If notice is delivered by person (to include telephonic notice or notice by electronic mail or text message) to every Board member such meeting can be called within twenty-four hours. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at the Board member's address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting. Every special meeting of the Board shall be announced at least three (3) times publicly stating time, place and purpose, or as hereinafter provided.

Section 4. Executive Session. Executive sessions shall be limited to the topics allowed by law. No motions can be made or acted upon in such executive sessions.

Section 5. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

Section 6. Attendance at Meetings. Any Board member who fails to attend three regular meetings of the Board in any twelve (12) month period without good cause shall be deemed to have resigned from the Board of Directors, creating a vacancy. A vacancy so occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Board for the unexpired portion of the term.

Section 7. Emergency Meetings. To timely address conditions resulting from a major disaster, a majority of the Board may act immediately even if all procedural notice and meeting requirements have not been met.

ARTICLE VI – OFFICERS

Section 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of the Office. The officers shall be elected by ballot, annually by and from the Board held immediately after the annual meeting of the members. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any other office shall be filled by the Board for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer and by filing with the Secretary such charges in writing together with a petition signed by ten per centum (10%) of the members or 300, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing by registered mail of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

Section 4. Specific Responsibilities of the Board. It shall be the responsibility of the Board to establish and provide a Policy Manual for the general management and operation of the Cooperative. The acceptance and review of, and any additions or deletions to the Policy Manual shall be voted upon by the Board.

Section 5. Chairman. The Chairman shall:

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

Section 6. Vice Chairman. In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the

powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 7. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as acquired by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates or membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the Articles of Incorporation and 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, furnishing a copy of the Bylaws and of all amendments there to any member upon request; and
- (f) in general performing 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.

Section 8. Treasurer. The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws;
- (c) the general performance of all the duties incident to the office of the Treasurer and such other duties from time to time may be assigned to him by the Board;
- (d) presentation of a current financial report of the Cooperative to the Board at its regular monthly meeting.

Section 9. Chief Executive Officer (CEO). The Board may appoint a Chief Executive Officer (CEO) who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer (CEO) shall perform such duties and shall exercise such authority as outlined in the Policy Manual of the Cooperative and as the Board may from time to time vest in him.

Section 10. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with surety as it shall determine.

Section 11. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Board member and close relative of a Board member.

Section 12. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII – NON-PROFIT OPERATION

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

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses property chargeable against the furnishing of electric 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 patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating cost and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

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 patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on accounts of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Alaska legal rate on judgments in effect when such amount became overdue, compounded annually.

Notwithstanding any other provision of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron 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 patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

ARTICLE VIII – DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of more than 15 percent of the Cooperative's total assets, less depreciation, as reflected on the books of the Cooperative at the time of the transaction, unless the transaction is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of the members voting to approve it and the number of members voting to approve it constitutes a majority of all the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative shall have full power and authority to: (1), without authorization by the members thereof, authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and whenever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative; or (2) upon the affirmative vote of a majority of those members of the Cooperative voting, in which at least 10 percent of the eligible members return ballots, sell, lease, or otherwise dispose of 15 percent of the Cooperative's total assets, less depreciation, as reflected on the books of the Cooperative at the time of the transaction, to another cooperative doing business in this State pursuant to the Act under which this Cooperative is incorporated.

ARTICLE IX – SEAL

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

ARTICLE X – FISCAL MANAGEMENT AND ACCOUNTING

Section 1. Revenues and Expenditures. The Board of Directors shall adopt and maintain a system of accounting for receipts and expenditures in conformance with the laws of the United States and of the State of Alaska, applicable to Cooperative associations and corporations, which system shall at all times provide the proper reserves for payment of interest and principal on outstanding indebtedness, reserves for taxes, insurance, depreciation, replacement of capital plant and facilities, and such other reserves and accounts as the Board of Directors shall deem proper.

Section 2. Accounting System and Reports. The accounting system adopted and maintained by the Board of Directors shall conform to such rules and regulations applicable to accounting systems, their

establishment and operation, as may from time to time be promulgated by the Administrator, Rural Utilities Service, United States Department of Agriculture, and such as may be established by any applicable laws, rules and regulations of the United States, the State of Alaska, or any regulatory agents thereof, of competent jurisdiction. The Board of Directors shall, whenever the financial condition of the Cooperative permits and its interest so requires, cause to be made a full, complete and independent audit of the accounts, books, and financial condition of the Cooperative. Such audit report shall be made available to the members.

ARTICLE XI – FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board 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 a specific instance.

Section 2. Checks, Drafts, etc. All checks, drafts or 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 and/or countersigned 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.

Section 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

Section 4 was deleted on March 24, 2014 per membership vote at the 2014 Annual Meeting.

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

Section 6. Budget. It shall be the responsibility of the Board to approve and adopt a budget for the up-coming fiscal year prior to the beginning of the budget year.

Section 7. Purchasing by Board or CEO. Neither the Chief Executive Officer (CEO) nor any Board member shall:

- (a) Sell or barter anything to the Cooperative or to a contractor for supplying the Cooperative;
- (b) Make any contract with the Cooperative, or
- (c) Purchase anything from the Cooperative other than those things which the Cooperative offers generally to the membership (as for example, utility service), and then only on the same terms as are offered to the members, unless an invitation to submit sealed bids is published, and the Cooperative accepts the sealed bid which is most advantageous to the Cooperative; provided that such sale, contract or purchase involving consideration of not more than One Thousand Dollars (\$1,000) may be made without bids.

Every such sale, contract or purchase, regardless of consideration, must be reported to the Board and entered in the minutes before the Cooperative can pay out any money thereupon or be bound

thereon. If the CEO, director, or officer violates this section such person shall be removed from office by the Board of Directors.

ARTICLE XII – MISCELLANEOUS

Section 1. Membership in Other Organizations. The Cooperative may own, invest in, or become a member in any other organization, corporation, partnership, joint venture, or other business provided that the Board of Directors finds that the relationship will control costs, increase revenues, or improve or expand services to the Cooperative’s members for the community of Cordova.

Section 2. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 3. Policies Rules and Regulations. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

Section 4. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XIII – AMENDMENTS

Section 1. Amendments to the Bylaws. Proposed amendments to the Bylaws may be adopted by the affirmative vote of a majority of the members conducted in accordance with Article III. The notice of the member meeting must contain the text of the proposed amendment.

Section 2. Procedure for Placement of Bylaw Amendments on the Ballot. Proposed amendments to the Bylaws may be placed on the ballot by:

- (a) The Board of Directors, upon its own initiative or at the request of a member; or
- (b) A petition in accordance with Section 3 of this Article XIII.

Section 3. Procedure for Bylaw Amendments by Petition. A petition to amend the Bylaws must:

- (a) Identify the sponsor(s) of the amendment;
- (b) State whether any sponsor:
 - (1) Is, or is a close relative of, a Cooperative employee or director;
 - (2) Is, or is a close relative of, someone who is employed by, has a material financial interest in, or purchases services from a competitor of the Cooperative;
- (c) Contain the exact wording of the proposed Bylaw change;
- (d) Be dated and contain the printed names, addresses, and original dated signatures (obtained within ninety (90) days of the petition date) from at least ten percent (10%) of the membership of the Cooperative as of the date of submission;

Cordova Electric Cooperative, Inc.
Articles of Incorporation & Bylaws (As Amended 3/21/22)

- (e) Be submitted not less than one hundred twenty (120) days prior to the scheduled meeting at which the Bylaw revision is to be considered by the members;
- (f) Determined to be lawful by the Board of Directors; and
- (g) Not be altered or modified after delivery to the Cooperative.

For the purposes of Article XIII, Section 3, a “close relative” is defined as set forth in Article IV, Section 3(e), and “the Cooperative” includes any Cooperative’s subsidiary.