

**DRAFT**

**BYLAWS**

**OF**

**GOLDEN VALLEY ELECTRIC ASSOCIATION GENERATION AND TRANSMISSION  
COOPERATIVE, INC.**

**Sept. 25, 2006**

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**DRAFT**  
**BYLAWS**  
**OF**  
**INTERIOR ALASKA GENERATION & TRANSMISSION COOPERATIVE, INC.**

**ARTICLE 1**  
**MEMBERSHIP**

Section 1.01 Requirements for Membership.

Any applicant seeking membership in **Golden Valley Electric Association Generation & Transmission Cooperative, Inc.** (hereinafter called “**GVEA G&T**”) may become a Member by:

- A. Executing a written application for membership;
- B. Agreeing to purchase energy and/or other products or services from or through **GVEA G&T** as specified by the Articles of Incorporation, these Bylaws, and the Board of Directors;
- C. Agreeing to comply with and be bound by the Articles of Incorporation, these Bylaws and any amendments, and any rules and regulations adopted by the Board of Directors;
- D. Paying any membership fee and such other assessments and charges as approved by the Board of Directors; and
- E. Being accepted for membership by a vote of at least two-thirds (2/3) of the members of the Board of Directors of **GVEA G&T** entitled to vote.

The Secretary shall give each applicant at least ten (10) days written notice of the date of the meeting of the Board of Directors to which its application will be submitted and the applicant shall be entitled to be present and heard at the meeting.

Section 1.02 Limitation of Membership.

No Member may hold more than one membership in **GVEA G&T**, and no membership in **GVEA G&T** shall be transferable; except that, in case of a merger or consolidation, membership may be vested in the successor corporation provided the successor corporation shall be eligible for membership, shall agree to purchase from **GVEA G&T** energy and/or other products or services under the terms and conditions of the contracts then in effect between **GVEA G&T** and its Members, and shall agree to comply with and be bound by the Articles of Incorporation of **GVEA G&T**, these Bylaws and any amendments, and such rules, regulations, and assessments as may be adopted by the Board of Directors.

Section 1.03 Membership Certificates.

Membership in **GVEA G&T** shall be evidenced by a membership certificate in the form and with such provisions as shall be determined by the Board of Directors. The certificate shall be signed by the Chairman of the Board and by the Secretary with the corporate seal affixed. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued upon such terms and conditions as the Board of Directors may prescribe.

Section 1.04 Rights and Liabilities of Membership.

A. **The Member(s)** of **GVEA G&T** shall consist of distribution (**an**) electric cooperative(s) that purchase(s) electric capacity and/or energy, or other products and/or services from **GVEA G&T**.

B. **The (Each)** Member shall pay for all energy or other products or services used by it at such time and at such rates or prices as shall be approved by the Board of Directors. It is expressly understood that amounts paid for energy or other products or services in excess of the cost of service are furnished by **the (each)** Member as capital and **the (each)** Member shall be credited with capital so furnished, as provided by these Bylaws.

C. Sales made through a power exchange or other state or regional wholesale market system by **GVEA G&T** to any Member shall not alter the character of the payments accruing to **GVEA G&T** for such sales or affect a Member's membership status.

D. **If there is more than one (1), a** unanimous vote of all Members shall be required to pursue any major new project or activity, including but not limited to new generation projects, transmission projects, or alternative retail electric suppliers. Other activities considered in the normal course of business shall not require a unanimous vote, and would include for example but not by way of limitation approval of minutes, annual budgets, management contracts and acceptance of reports.

1. If the vote on a particular major new project or activity is not unanimous, the project or activity may still be pursued outside of **GVEA G&T** by one or more Members of **GVEA G&T** and any other interested party.
2. Existing projects or activities being pursued by (**an**) individual **Member(s)** of **GVEA G&T** at the time of the corporate formation of **GVEA G&T** shall be offered to **GVEA G&T** for consideration by **GVEA G&T** and inclusion in its business. A unanimous vote of all Members shall be required before any such project or activity becomes a part of **GVEA G&T**.
3. Even if **GVEA G&T** Members vote unanimously to pursue a project or activity, the project or activity itself may be pursued independent of **GVEA G&T**, depending on the wishes of the Members.

E. The private property of the **Member(s)** shall be exempt from execution or other liability for the debts of **GVEA G&T** and the **Member(s)** shall not be liable or responsible for any debts or liabilities of **GVEA G&T**.

Section 1.05 Withdrawal or Termination of Membership.

**If there are three (3) or more members, and** a Member (1) withdraws from membership, or (2) is expelled from membership, its membership in **GVEA G&T** shall automatically terminate.

The withdrawal or expulsion of a Member shall be affected as follows:

A. A Member may withdraw from membership upon compliance with such terms and conditions as the Board of Directors may prescribe by policy, provided, however, no Member shall be permitted to withdraw until the Member has met all its contractual obligations, debts and liabilities to **GVEA G&T**, and provided further, that no Member shall be required to pay any future administrative

and general expenses of **GVEA G&T** as a condition of withdrawal. Written notice of withdrawal shall be delivered to any officer of **GVEA G&T** or to the Board of Directors at least ninety (90) days prior to the date upon which the withdrawal is proposed to become effective.

B. The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of all the Directors, recommend the expulsion of any Member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules and regulations adopted by the Board of Directors, but only if that Member shall have been given written notice by the Secretary of **GVEA G&T** that such failure makes it liable to expulsion from membership and the failure shall have continued for at least ten (10) days after such notice was given. Within thirty (30) days after the Board shall have recommended expulsion of a Member, a meeting of the Members shall be held at which such Member shall be given an opportunity to present its case, by counsel or otherwise, and the Board shall have the same opportunity, after which a vote shall be taken on the expulsion of such Member. An affirmative vote by two-thirds (2/3) of the Members present at such meeting shall be required in order to expel a Member. The resolution of expulsion shall set forth the reasons for the expulsion.

C. Upon the cessation of existence, withdrawal or expulsion of a Member, the membership shall terminate, and the membership certificate of such Member shall be surrendered forthwith to **GVEA G&T**. Termination of membership in any manner shall not release a Member from any debts, liabilities or any outstanding, continuing, or residual contractual obligations to or through **GVEA G&T**. Payments made to **GVEA G&T** for any such debts, liabilities, or outstanding, continuing or residual contractual obligations shall be regarded as payments for services and obligations incurred as a Member and will be classified as member income to **GVEA G&T**.

#### Section 1.06 Membership Fees and Dues.

**If there are two (2) or more members**, the Board of Directors may fix fees, dues or assessments to be paid by the Members of **GVEA G&T** as and when the same are required in the judgment of the Board of Directors. The dues, electric rates and assessments, when fixed, shall become obligations of the Members of **GVEA G&T** and failure to pay the same may be an occasion for termination of membership of the delinquent Member.

## ARTICLE 2

### RIGHTS AND LIABILITIES OF MEMBERS

#### Section 2.01 Property Interest of Members.

A Member shall have no individual or separate interest in the property or assets of **GVEA G&T** except, upon dissolution, after (1) all debts and liabilities of **GVEA G&T** shall have been paid, and (2) all capital furnished through patronage shall have been returned. Any remaining property and assets of **GVEA G&T** shall be distributed **to or among** the **Member(s)** and former Members in the proportion which the aggregate contributed patronage capital of each bears to the total contributed patronage capital of all Members and former Members.

## ARTICLE 3

### MEETINGS OF MEMBERS

#### Section 3.01 Annual Meeting.

The annual meeting of the **Member(s)** shall be held at the date, time, and place designated in the notice of the annual meeting, for the purposes of passing upon reports covering the previous fiscal year, and transacting any other business as may come before the meeting. Members of Golden Valley Electric Association (“GVEA”) may attend the annual meeting of the Members of GVEA G&T. Members of GVEA will be given notice of the annual meetings of GVEA G&T in the same manner as notice is given to Members of GVEA G&T. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of GVEA G&T.

#### Section 3.02 Special Meetings.

**If there are three (3) or more members**, Special meetings of the Members may be called by resolution of the Board of Directors or upon a written request signed by six (6) or more Directors, the Chair of the Board, or **the majority of Members**. It shall be the duty of the Secretary to cause notice of the meeting to be given as these Bylaws provide. Special meetings of the Members may be held at any place designated by the Board of Directors or by the Chair of the Board.

#### Section 3.03 Notice of Members’ Meeting.

Written or printed notice to each GVEA G&T Member (and each GVEA Member) stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) 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 Chair of the Board, the Secretary or the persons calling the meeting.

If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at its address as it appears on the records of **GVEA G&T**. 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 the meeting.

#### Section 3.04 Quorum.

**If there two (2) members, both members must be represented to have a quorum. If there are three or more members**, business may be transacted at any annual or special meeting of the Members provided there are present, duly registered Member delegates, selected as provided in Section 3.05 of these Bylaws, constituting at least sixty-six and two-thirds percent (66 2/3%) of the total number of the Members of **GVEA G&T**. If less than sixty-six and two-thirds percent (66 2/3%) of the total Members are present, a majority of those Members may adjourn the meeting without further notice.

#### Section 3.05 Member Delegates.

**If there are two (2) or more members**, each Member shall be represented at Member meetings of **GVEA G&T** by one (1) voting delegate designated by the Member’s board of directors. Upon becoming a Member, the Secretary of each Member shall certify to the Secretary of **GVEA G&T** the name and address of the delegate designated by it to represent it at Member meetings of **GVEA G&T** and

the date of expiration of the term of such delegate. The Secretary of the Member shall advise the Secretary of **GVEA G&T** promptly in writing of any change in its delegate. Each Member may, at any time by resolution of its Board of Directors, terminate the appointment of its delegate after which it shall notify **GVEA G&T** of the action in writing.

Section 3.06 Voting.

**If there are two (2) or more members**, each Member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the Members. If a Member has no duly qualified delegate present at the meeting, the Chair of the Board of the Member may represent and cast the vote of the Member, provided, however, before representing and casting the vote of any such Member, the Chair of the Board shall have filed with the Secretary of **GVEA G&T** an instrument in writing executed by another officer of the Member certifying that he or she is the Chair of the Board of the Member.

At all meetings of the Members at which a quorum is present, all questions shall be decided by a vote of the majority of the Members represented except as otherwise provided by these Bylaws.

Section 3.07 Proxies.

Proxy voting is not allowed under any circumstances.

ARTICLE 4

DIRECTORS

Section 4.01 General Powers.

The business and affairs of **GVEA G&T** shall be managed by the Board of Directors of Golden Valley Electric Association (“GVEA”) as elected by the members of GVEA. The Board of Directors shall exercise the powers of **GVEA G&T** except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved unto the **Member(s)**.

Section 4.02 Rules and Regulations.

The Board of Directors of GVEA shall have the power to make and adopt such rules and regulations and fix the compensation of officers and employees as it may deem advisable for the proper management, administration and regulation of the business affairs of GVEA G&T.

ARTICLE 5

MEETINGS OF DIRECTORS

Section 5.01 Organizational Meeting.

A meeting of the Board of Directors shall be held at such time as the Board of Directors determines, after the Annual Meeting of the membership, for the purpose or organization of the Board of Directors, election of officers of **GVEA G&T** and the transaction of any other business. The organization of the Board of Directors shall be identical to the organization of the Board of Directors of GVEA.

#### Section 5.02 Regular Meetings.

Regular meetings, at least quarterly, of the Board of Directors shall be held at such times as the Board of Directors may, from time to time, fix by resolution.

#### Section 5.03 Special Meetings.

**If there are two (2) or Members,** Special meetings of the Board of Directors may be called by the Chair of the Board or by any five (5) Directors. It shall be the duty of the Secretary to cause notice of such meeting to be given as provided. Those who called the meeting shall fix the time and place.

#### Section 5.04 Notice.

Notice of the time, place and purpose of any regular or special meeting of the Board of Directors shall be given not less than ten (10) days nor more than forty-five (45) days prior the meeting date, by written notice, delivered personally or mailed to each Director at their last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid.

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 5.05 Quorum.

A majority of the Board of Directors shall constitute a quorum. If less than a majority of the Directors is present at a meeting, a majority of the Directors present may adjourn the meeting. The Secretary shall notify any absent Directors of the time and place of such adjourned meeting. 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 unless otherwise stipulated by these Bylaws, the Articles of Incorporation or State law.

#### Section 5.06 Voting.

Each Director shall be entitled to only one (1) vote, and no more, upon each matter submitted to a vote. There shall be no voting by proxy or by mail.

#### Section 5.07 Presence of Others.

The directors, employees, or other representatives of a GVEA G&T Member and the directors, employees, or other representatives of a GVEA Member shall be entitled to attend all regular and special meetings of the Board of Directors, however, they shall have no vote and shall not be allowed to speak or otherwise participate in the proceedings unless so authorized by the Board. The Board of Directors, when it deems prudent and advisable, may declare an executive session. Persons other than the Board Members shall not be entitled to attend the executive session unless by invitation.

#### Section 5.08 Participation by Telephone at Board Meetings.

Unless otherwise restricted in these Bylaws, the Directors may participate in meetings of the Board and shall be deemed to be present at such meetings as though physically present if they are participating by means of a conference telephone or similar communications equipment by which all persons participating at the meeting can hear each other and respond to matters properly brought before

the meeting. Directors participating by such communications means shall be deemed present for all purposes including determination of quorum.

## ARTICLE 6

### COMMITTEES

**If there is only one (1) Member, the rules of that Member shall apply for the formation and operation of all committees. If there are two (2) or more Members, the following will apply:**

#### Section 6.01 Executive Committee.

A. The Board of Directors shall have the power to establish an Executive Committee consisting of the Chair and such other members as the Board of Directors selects from the members of the Board of Directors.

B. The Executive Committee shall have such duties and powers as may, from time to time, be prescribed by the Board of Directors, and, except as otherwise provided by law, their duties and powers may be all of the duties and powers of the Board of Directors.

#### Section 6.02 Board of Directors Reflects GVEA Board of Directors.

The Chair of the GVEA G&T Board shall be the Chair of the GVEA Board of Directors. The Board of Directors of GVEA G&T shall be identical in every way to the Board of Directors of GVEA. The Members of GVEA shall elect the Board of Directors of GVEA in the manner set out in GVEA's articles of incorporation and bylaws. GVEA G&T's Board of Directors shall be nominated and hold office in exactly the same manner exactly as set forth in GVEA's articles of incorporation and bylaws.

#### Section 6.03 Additional Committees.

The Board of Directors may establish committees, to be appointed by the Chair of the Board, and refer to such committees such questions as the Board shall determine for investigation, consideration and/or action.

#### Section 6.04 Participation by Telephone at Committee Meetings.

Unless otherwise restricted in these Bylaws or in the resolution creating a committee, the members of any committee may participate in meetings of the committee and shall be deemed to be present at such meetings as though physically present if they are participating by means of a conference telephone or similar communications equipment by which all persons participating at the meeting can hear each other respond to matters properly brought before the meeting. Members of the committee participating by such communications means shall be deemed present for all purposes including determination of quorum.

## ARTICLE 7

### OFFICERS

#### Section 7.01 Number and Positions.

The officers of GVEA G&T shall be the same persons as the officers of GVEA. The officers shall be Chair of the Board, Vice Chair of the Board, and Secretary/Treasurer as elected by the Board of Directors of GVEA. The Board may, if it desires, elect additional officers, including but not limited to Assistant Secretary/Treasurers. All GVEA G&T terms of office shall be identical to the terms of office of GVEA.

#### Section 7.02 Appointment and Term of Office.

A. The Chair, Vice Chair and Secretary/Treasurer as elected to GVEA shall serve concurrently as Chair, Vice Chair and Secretary/Treasurer for GVEA G&T. Officers terms of office are expiring shall be elected by and from the GVEA Board of Directors at the meeting of the GVEA Board of Directors held immediately after the annual meeting of the GVEA Members. If the election shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the Members or until their successor shall have been elected and shall have qualified.

B. The term of office for the GVEA G&T Chair, Vice Chair and Secretary/Treasurer shall be for one (1) year, exactly the same term as the term of office for the GVEA Chair, Vice Chair and Secretary/Treasurer.

C. Officers other than GVEA G&T Chair, Vice Chair and Secretary/Treasurer shall hold office at the pleasure of the Board.

#### Section 7.03 Removal of Officers by Directors.

Any GVEA G&T officer elected or appointed by the GVEA G&T Board of Directors by virtue of holding an office or appointment to the GVEA Board of Directors may be removed by the GVEA Board of Directors (acting as the GVEA G&T Board of Directors) by majority vote of all the GVEA Directors (serving as Directors for GVEA G&T) whenever, in its judgment, the best interests of **GVEA G&T** shall be served. Removal of any officer elected or appointed to the GVEA Board of Directors shall mean automatic removal from the GVEA G&T Board of Directors. However, Removal of any officer or Director of GVEA G&T shall not automatically remove that officer or director from his or her GVEA office or seat on the Board of Directors of GVEA.

Any Member of **GVEA G&T** may bring charges against any officer, and by filing with the Secretary such charges in writing, together with a petition signed by **fifty percent (50%) or more** of the Members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing 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 to be present and represented by counsel at the meeting and to present evidence in respect to the charges; and the person or persons bringing the charges shall have the same opportunity.

Section 7.04 Vacancies.

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

Section 7.05 Bonds of Officers.

Any officer or agent of **GVEA G&T** charged with responsibility for the custody of any of its funds or property shall be bonded in sums 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 **GVEA G&T** to be bonded in such amounts with such surety as it shall determine.

Section 7.06 Reports.

The officers of **GVEA G&T** shall submit at each annual meeting of the Members reports covering the business of **GVEA G&T** for the previous fiscal year. The reports shall set forth the condition of **GVEA G&T** at the close of the fiscal year.

ARTICLE 8

NON-PROFIT OPERATION

Section 8.01 Non-Profit Policy.

**GVEA G&T** 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 **GVEA G&T** on any capital furnished by its Members.

Section 8.02 Patronage Capital.

A. In connection with the furnishing of electric energy, **GVEA G&T**'s operations shall be so conducted that **the Member or Members** will, through their patronage, furnish capital for **GVEA G&T**. In order to induce patronage and to assure that **GVEA G&T** will operate on a non-profit basis, **GVEA G&T** is obligated to account on a patronage basis to **Member or Members** for income received and receivable from the furnishing of electric energy in excess of (1) operating costs and expenses properly chargeable against the furnishing of electric energy, and (2) amounts required to offset any losses incurred during its first year and any subsequent year thereafter. Amounts received from its and patrons in excess of operating costs and expenses at the moment of receipt by **GVEA G&T** are received with the understanding that they are furnished by the patrons as capital.

B. **GVEA G&T** is obligated to pay by credits to a capital account for **its Member or** each Member **and patrons** amounts in excess of operating costs and expenses. The books and records of **GVEA G&T** 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 **and patron** is clearly reflected and credited in an appropriate record to the capital account of each Member and **patron**. **GVEA G&T** shall, within a reasonable time after the close of the fiscal year, notify each Member **and patron** of the amount of capital so credited to its account. All such amounts credited to the capital account of any Member **and patron** shall have the same status as though they had been paid to the Member **or patron** pursuant to a legal obligation to do so and the Member **or patron** had then furnished corresponding amounts for capital.

C. To the extent **GVEA G&T** elects to engage in the business of furnishing products and services other than electric service, amounts received and receivable therefrom in excess of operating costs and expenses properly chargeable against the furnishing of such products and services shall be, insofar as permitted by law, allocated and assigned annually on a patronage basis and credited on the books of **GVEA G&T** as patronage capital to those patrons so furnished such products and services, in substantially the same manner provided in subsection A with respect to furnishing electric service.

D. All amounts received by **GVEA G&T** from its other activities including, but not limited to, investments, rentals and other incidental services, in excess of costs and expenses properly chargeable against such activities shall, insofar as permitted by law, be (1) used to offset any losses incurred during the current or any prior fiscal year and (2) to the extent not needed for that purpose, **retained or allocated, at the Board's discretion**, among the classes of business for which the receipts exceed the allocable costs and expenses, in proportion to the amounts of such margins, and to its Members on a patronage basis. Any amount so allocated shall be included as a part of the capital credited to the accounts of members, as provided for in subsection A, above.

#### Section 8.03 Retirement of Capital.

In the event of dissolution or liquidation of **GVEA G&T**, after all outstanding indebtedness of **GVEA G&T** shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of Members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of **GVEA G&T** will not be impaired thereby, the capital then credited to Members' accounts may be retired in full or in part. Any such retirements of capital shall be as determined by resolution of the Board of Directors. Termination of a Member's membership shall not accelerate the payment of capital credits.

#### Section 8.04 Assignability of Capital.

Capital credited to the account of each Member shall be assignable only on the books of **GVEA G&T** pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such Member's business or the physical assets of such Member unless the Board of Directors, acting under policies of general application, shall determine otherwise.

#### Section 8.05. Classification of Business.

In determining and allocating the operating costs and expenses to form the basis of determining, in turn, the respective amounts of capital furnished by patrons through their patronage, it shall be the duty of the Board of Directors to classify the business done by **GVEA G&T** with all of its patrons into appropriate classes or departments of business or patronage.

Operating margins will be allocated to each Member within each such classes or departments on a patronage basis after full allocation of all direct and indirect costs associated with service. All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to, any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. In the event patronage from any patron falls into two or more classes of business, capital credits assigned to such patron shall be the net amount of the capital credits determined after debiting and crediting such patron's account with all patronage debits and credits from all such classes of business. The cost allocation methodologies will be subject to periodic review by the Board of Directors.

Section 8.06 Contractual Character of Operations.

The **Member or Members** of **GVEA G&T**, by dealing with **GVEA G&T**, acknowledge(s) that the terms of the Articles of Incorporation and Bylaws shall constitute and be a contract between **GVEA G&T** and each Member, and both **GVEA G&T** and the **Member(s)** are bound by such contract, as fully as though each Member has individually signed a separate instrument containing those terms and provisions.

ARTICLE 9

DISPOSITION OF PROPERTY

Section 9.01 Manner of Disposition.

**GVEA G&T** may not sell, lease or otherwise dispose of any of its property other than (1) property which, in the judgment of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining **GVEA G&T**'s system and which, in any one year, shall not exceed ten percent (10%) in value of all of the property of **GVEA G&T**, or (2), unless authorized to do so by the votes of more than two-thirds (2/3) of its Members and the notice of such proposed sale, lease or other disposition shall have been contained in the notice of othe meeting; provided, however, that **GVEA G&T** may mortgage or otherwise encumber its assets by a vote of at least two-thirds (2/3) of its Board of Directors.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

Section 10.01 Governing Provisions.

**GVEA G&T** shall indemnify all its present and former Directors, Officers, employees and agents to the full extent permitted by **Title 10, Chapter 25, of the Alaska Statutes**, or any successor thereto, the relevant indemnification provisions of which Act are incorporated herein by reference. Upon resolution duly adopted by the Board of Directors, **GVEA G&T** may also purchase insurance for such indemnification of its Officers, Directors, employees and agents.

ARTICLE 11

FISCAL POLICY

Section 11.01 Contracts.

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

Section 11.02 Checks, Drafts, etc.

All checks, drafts, wire transfers or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of **GVEA G&T** shall be signed by such officer or officers, agent or agents, employee or employees of **GVEA G&T** and in such manner as shall be determined by resolution of the Board of Directors.

Section 11.03 Deposits.

All funds of **GVEA G&T** shall be deposited to the credit of **GVEA G&T** in such banks or financial institutions as the Board of Directors may select.

Section 11.04 Fiscal Year.

The fiscal year of **GVEA G&T** shall be fixed by the Board of Directors as the needs of **GVEA G&T**'s business require.

Section 11.05 Accounting System and Reports.

All accounts of **GVEA G&T** shall be examined by the Board of Directors. Reports, at least quarterly, shall be rendered to the Board of Directors. The Board of Directors shall also, after the close of each fiscal year, cause a full and complete audit of the accounts and books and financial conditions of **GVEA G&T** to be made.

Section 11.06 Contracts in Which Directors Have Interest.

Any contract or other transaction between **GVEA G&T** and one or more of its Directors, or between **GVEA G&T** and any firm of which one or more of its Directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the Director or Directors at the meeting of the Board of Directors that acts upon the contract or transaction, and notwithstanding their participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize or ratify the contract or transaction. The interested Director or Directors shall be counted in determining whether a quorum is present but shall not be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

Section 11.07 Employment of Related Persons.

No relative, whether by marriage or blood, of a Director closer in degree of kindred than first cousin shall become an employee of **GVEA G&T** while such existing Director remains a Director. This provision shall not affect any employee who is in the excluded category prior to the adoption of the section or placed in the excluded category by marriage which occurs subsequent to the Director's election.

ARTICLE 12

MEMBERSHIP IN OTHER ORGANIZATIONS

Section 12.01 Requirements.

**GVEA G&T** shall not become a member of or purchase stock in any other organization without the approval of the Board of Directors.

## ARTICLE 13

### WAIVER OF NOTICE

#### Section 13.01 Written or by Attendance.

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

## ARTICLE 14

### THE CORPORATE SEAL

#### Section 14.01 Design and Inscription.

The corporate seal of **GVEA G&T** shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words “**Corporate Seal, State of Alaska.**”

## ARTICLE 15

### RULES OF ORDER

#### Section 15.01 Parliamentary Procedure.

At all meetings of the Members, the Board of Directors, and any committee that may be established by **GVEA G&T**, parliamentary procedure, except as determined by these Bylaws, the Articles of Incorporation and the laws of the State of Illinois, shall be governed by the latest edition of Robert's Rules of Order.

## ARTICLE 16

### AMENDMENT OF BYLAWS

#### Section 16.01 Method of Amendment.

Subject to the provisions in the Articles of Incorporation, these Bylaws may be altered, amended or repealed as follows:

- A. By the affirmative vote of a two-thirds (2/3) majority of the members of the Board of Directors at any regular or special meeting provided that notice of such meeting shall have stated the intention to alter, amend or repeal the Bylaws; or
- B. **If there are three or more members of GVEA G&T**, by an affirmative vote of members representing a majority fifty-one percent (51 %) of the votes of all the member present and voting at any regular or special meeting at which a quorum is present, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

All alterations, amendments, repeals or new Bylaws shall take effect at the conclusion of the meeting at which they are adopted.