

BYLAWS
OF
CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.
As amended July 18, 2013

SECTION 1 - GENERAL PROVISIONS

1.1 Scope of Bylaws

These bylaws, the powers of the Cooperative and of its Directors and Officers, and all matters concerning the conduct and regulation of its business shall be subject to such provisions as are set forth in the Cooperative's Articles of Organization, c. 164, §136 of the General Laws of the Commonwealth of Massachusetts, as now in force or as hereafter amended (the "Electric Co-op Law") and c. 156B of the General Laws of the Commonwealth of Massachusetts, as now in force or as hereafter amended (the "Mass. Corporation Law").

1.2 Name of the Cooperative

The name of the Cooperative shall be Cape & Vineyard Electric Cooperative, Inc., or such name as shall be set forth in the Cooperative's Articles of Organization which may be amended from time to time.

1.3 Place of Business

The principal office of the Cooperative shall be located in Barnstable County, Massachusetts, or at such place as the Board of Directors of the Cooperative may from time to time determine. The Board of Directors may from time to time establish and maintain additional offices at such other locations as it may determine.

1.4 Purposes

The purposes of the Cooperative are to develop and/or own renewable and non-renewable electric generation facilities, and to procure and/or sell long term electric supply or other energy-related goods or services including renewable energy certificate contracts at competitive prices to Members and, in furtherance of the foregoing purposes, to carry on any lawful business permitted for a corporation organized under the Electric Co-op Law and the Mass. Corporation Law. The Cooperative shall be organized and shall conduct its business primarily for the mutual benefit of its Members as patrons of the Cooperative.

1.5 Powers

The Cooperative may transact any lawful business associated with the purchase, acquisition, distribution, sale, resale, supply, and disposition of energy or energy-related services to wholesale or retail customers, subject to applicable federal and state laws and regulations. The Cooperative shall have all of the powers of a natural person and all the powers set forth in

the Electric Co-op Law, provided, however, that the Cooperative will not enter into any joint venture, partnership or other arrangement that will be treated as a partnership for Federal income tax purposes with any entity, unless that entity is a state or political subdivision of a state or is an exempt entity under Internal Revenue Code Section 115.

1.6 Functions, Policies and Goals

The Cooperative's functions, policies and goals shall include, without limitation: exploring appropriate options for acquiring the best market rate for electricity supply; promoting and supporting the development of renewable energy resources; providing and enhancing consumer protection by improving quality of service and reliability; and utilizing and encouraging conservation and other forms of energy efficiency.

SECTION 2 - MEMBERSHIP

2.1 Eligibility

Any municipality or county or political subdivision thereof, or body politic that meets the requirements of Internal Revenue Code Section 115, shall be eligible to apply for membership in the Cooperative, provided that the governing board of each Member has authorized its membership. All Members must agree to be bound by and to comply with all of the other provisions of the Cooperative's Articles of Organization and these bylaws, and all rules, regulations, program requirements and membership agreements as may be established by the Cooperative, as all the same then exist or may thereafter be adopted, repealed or amended (the obligations embodied in such instruments being hereinafter called "Membership Obligations").

2.2 Transfer

No membership shall be transferable.

2.3 Application for Membership

Application for membership shall be made in writing on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 2.4 which fee shall be refunded in the event the application is denied by the Board of Directors in accordance with Section 2.5.

2.4 Membership Fee; Capitalization Obligations

The membership fee shall be as fixed from time to time by the Board of Directors. In accordance with Section 10 of these bylaws, from time to time, the Board of Directors may establish capitalization obligations for Members in its terms and conditions of membership. In addition, the Board of Directors may provide with respect to particular projects (as opposed to funds intended to cover basic general operating expenses) that such terms and conditions take into account the nature, size, location and benefits and detriments of each project.

2.5 Initial Members; New Members; Acceptance into Membership

The Town of Barnstable, Barnstable County, and the Cape Light Compact shall comprise the initial members of the Cooperative (the "Initial Members"). The Board of Directors may by majority vote deny a potential membership applicant based upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause as determined by the Board of Directors in its sole discretion, including, without limitation, the potential for loss of the tax-exempt status of the Cooperative. Upon complying with the requirements set forth in Section 2.1, new applicants shall become a Member as of the effective date in the Board of Directors' vote accepting such Member's application.

2.6 Member Suspension; Reinstatement

Upon the failure of a Member, after the expiration of the initial time limit prescribed either in a specific notice to the Member or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to comply with the Member's Membership Obligations, membership shall automatically be suspended; and the Member shall not during such suspension be entitled to cast a vote at any meeting of the Members. In addition, the Board of Directors may deny suspended Members any other membership rights, benefits or privileges that it deems appropriate in its sole discretion. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or compliance with the Member's Membership Obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which the event the Member shall thereafter be entitled to vote at the meetings of its Members.

2.7 Termination by Withdrawal or Resignation

A Member may withdraw from membership at any time for any reason by sending a written notice of withdrawal to the Clerk of the Cooperative. The Board of Directors may adopt other rules and regulations pertaining to withdrawal, provided such rules and regulations are not inconsistent with these bylaws.

2.8 Effect of Termination

Upon the termination of a membership for any reason, the Member shall be entitled to such refund of the Member's membership fee as the Board of Directors may determine in its sole discretion, less any amounts due the Cooperative. Termination shall not release the Member from any debts or other obligations then remaining due to the Cooperative or to other parties.

2.9 Member Powers

Unless otherwise required by the Electric Co-op Law or other applicable law, Members shall only be entitled to vote on the election of Directors as set forth in Section 4.2 and Section 5.6.

2.10 **Liability of Members**

Except for debts lawfully contracted between a Member and the Cooperative, no Member shall be liable for the debts of the Cooperative to an amount exceeding the sum remaining unpaid on its membership fee.

2.11 **No Stock**

The Cooperative may not issue shares of stock to its Members.

2.12 **Sponsors, Benefactors, Contributors, Advisors, Friends of the Cooperative**

Persons or groups of persons designated by the Board as sponsor, benefactor, contributor, advisor or friend of the Cooperative or such other title as the Board deems appropriate shall, except as the Board shall otherwise determine, serve in an honorary capacity. In such capacity they shall not be treated as Members and they shall have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum and shall have no other rights or responsibilities.

SECTION 3 - MEETINGS OF MEMBERS

3.1 **Place**

All meetings of the Members shall be held at the principal office of the Cooperative or some other location within Barnstable County or Dukes County as shall be specified in the notice of meeting.

3.2 **Annual Meeting**

The annual meeting of the Members shall take place in September of each year, or at such other times as established by the Board of Directors

3.3 **Special Meetings**

The President and/or two or more Directors, when such person(s) deems it expedient and appropriate, may call a special meeting of the Members. At such special meeting, no business shall be considered or transacted other than as specified in the notice prescribed by Section 3.4.

3.4 **Notice to Members of Regular and Special Meetings**

Notice of each meeting of the Members shall be given at least ten (10) days prior to each regular meeting and at least forty-eight (48) hours, not including Sundays and legal holidays, prior to a special meeting, by the Clerk of the Cooperative. Notice shall be in written or printed form and may be given by mail, facsimile, email or other delivery to each Member in person or addressed to the last known address or facsimile number of such Member. Whenever any notice is required to be given by law or by these bylaws, a waiver thereof in writing, signed by the

person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto and retained with the records of the meeting. Except as otherwise provided herein, a notice or waiver of notice of a regular or annual Members meeting need not specify the purposes of the meeting. Notice shall be deemed to be given at the time when the notice is mailed, transmitted or otherwise issued. Public notice of any regular or special meeting shall also be made in compliance with the Massachusetts Open Meeting Law, G.L. c. 30A, §§18-25, and other applicable law.

3.5 Conduct of Meetings

At each meeting of the Members, the President, or in the absence of the President, the Vice President, or in the absence of the Vice President, the Clerk shall act as presiding officer. The Clerk or the Assistant Clerk, or in his or her absence, another officer of the Cooperative, shall prepare or cause to be prepared minutes of all business transacted by the Members at each meeting.

3.6 Quorum

A majority of the Members shall constitute a quorum. If there is no quorum, the meeting shall be automatically adjourned without further notice. The affirmative vote of a majority of a quorum present at a meeting shall be necessary for any action taken by the Members.

SECTION 4 - DIRECTORS

4.1 Powers of the Directors

The Cooperative shall have a Board of Directors who shall have the powers and duties of a Board of Directors of a corporation incorporated under the Electric Co-op Law and the Mass. Corporation Law. The Board of Directors shall be responsible for the general management and supervision of the business and affairs of the Cooperative. The Board of Directors may exercise all the powers of the Cooperative.

4.2 Number, Qualifications and Term of Office

The Board of Directors shall consist of not fewer than three Directors. The Directors shall be elected by and from the Members of the Cooperative at the annual meeting of the Members or at a special meeting in lieu of an annual meeting. Each Member shall be entitled to representation on the Board of Directors by having the right to elect one Director. No Director shall hold more than one seat on the Board of Directors. Each Director shall hold office until his or her successor shall be elected and shall qualify.

4.3 Manner of Acting; Remote Participation

Provided there is a quorum physically present at the meeting, and except as specified elsewhere herein, the Board of Directors shall act by vote of a majority of the Directors present at the time of the vote. Directors may participate remotely in meetings and may vote in

accordance with the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25 and the regulations promulgated thereunder. Directors participating in meetings remotely may vote and are to be considered present for voting purposes for purposes of these bylaws, provided that there is a quorum physically present.

4.4 Resignation

Any Director may resign at any time upon written notice to the remaining Directors, the President, any Vice President, Treasurer or Clerk. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.5 Removal

Any Director may be removed at any time with or without cause by the Member who elected him or her. Any Director may also be removed at any time with cause by a two-thirds vote of the Directors present at the meeting. A Director may be removed for cause only after a reasonable notice and opportunity to be heard before the body proposing to remove him or her. For cause removal shall include, but not be limited to, disclosure of documents exempt from disclosure under the Massachusetts Public Records Law, or disclosure of matters discussed during executive session prior to release of executive session minutes. A Director subject to removal may vote on such matter and shall be counted when calculating a quorum as set forth in Section 4.3. A Director who fails to attend at least half of the Directors' meetings annually (one of which must be the annual meeting of the Board of Directors) shall be automatically suspended, unless such Director has requested an exemption from this requirement due to special circumstances (i.e., prolonged illness, conflicting work/personal commitments). For purposes of this bylaw provision, annual attendance shall be calculated on a calendar year basis. The Clerk (or other officer of the Cooperative as may be designated by the Board of Directors) shall report on the annual attendance of Directors as requested by the Board of Directors. In each vote implementing the removal of a Director, the Board shall state an official suspension date, which shall generally take place within ninety to one hundred and eighty days in order to give the Member who appointed such Director an opportunity to replace such Director. A Member whose Director is suspended shall be given immediate notice of such removal. A Director who has been suspended or a Member whose Director has been suspended may petition the Board of Directors for reinstatement and he or she shall be given notice and an opportunity to be heard before the Board of Directors on such matter within ninety days of such request. The Board of Directors shall then take a vote as to whether cause exists for removal as provided in the second sentence of this Section 4.5.

4.6 Vacancies on the Board of Directors

Directors may act despite a vacancy in the Board of Directors and shall for this purpose be deemed to constitute the full Board. If there is a vacancy in the Board of Directors, the vacant seat shall not be counted towards a quorum of the Board as set forth in Section 4.3. Any vacancy in the Board of Directors shall be filled in the same manner as the position was originally filled.

Each Director chosen to fill a vacancy on the Board of Directors shall hold office until the next annual election of the Board of Directors and until his or her successor shall be elected and qualify.

4.7 No Right to Compensation

Unless the Board of Directors in its discretion provides for compensation, Directors shall serve without compensation. No Director resigning, and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the Cooperative) no Director removed, shall have any right to any compensation as such Director for any period following his or her resignation or removal, or any right to damages on account of such removal, whether his or her compensation be by the month or by the year or otherwise.

SECTION 5 - COMMITTEES

5.1 Executive Committee

Subject to the limitations set forth in Section 55 of the Mass. Corporation Law and Section 5.6 below, the powers of the Board of Directors shall be delegated to the Executive Committee.

5.2 Executive Committee Membership

The Executive Committee shall have at least three but no more than five members. The initial membership shall consist of the Directors elected by the Initial Members. When the membership of the Cooperative consists of four or five Members, additional members shall be added to the Executive Committee and shall consist of the Directors elected by the fourth and fifth members of the Cooperative. When the membership of the Cooperative consists of six or more Members, the membership on the Executive Committee shall consist of the three Directors elected by the Initial Members and two committee members who shall be elected at large by the Members of the Cooperative. The two at large members of the Executive Committee shall be elected from the Board of Directors. If any of the Initial Members ceases to be a Member of the Cooperative, its representation on the Executive Committee shall become an at-large seat. No person may hold more than one seat on the Executive Committee.

5.3 Conduct of Business of Executive Committee

The Executive Committee shall conduct its business so far as possible in the same manner as is provided by these bylaws for the Board of Directors. A majority of the Executive Committee shall constitute a quorum. The Executive Committee by majority vote shall determine the time and place of meetings and the notice required therefor. The Executive Committee shall keep records of its meetings in form and substance as may be directed by the Board of Directors and in accordance with the Massachusetts Open Meeting Law, G.L. c. 30A, §§18-25, and other applicable law.

5.4 Matters Requiring Review by Executive Committee

The Executive Committee may set its own agenda, but it shall be required to consider any matter or action as may be directed by the full Board of Directors from time to time.

5.5 Reports to Full Board

From time to time upon request and at each meeting of the Board of Directors, the Executive Committee shall make a full report of its actions and activities since the last meeting of the Board.

5.6 Right of Appeal to Full Board

If two members of the Executive Committee object to the affirmative action taken by the Executive Committee, they may appeal such decision within forty-eight hours of such action or vote by requesting a special meeting of the full Board of Directors in accordance with Section 6.4. At such special meeting, the Board of Directors may overturn the action or vote of the Executive Committee by a two-thirds vote. A vote by the Executive Committee to take no action (including, without limitation, a vote to take no action in connection with financial matters under Section 10 of these bylaws) cannot be appealed.

5.7 Other Committees, Commissions and Advisory Boards

Subject to the limitations set forth in Section 55 of the Mass. Corporation Law, the Board of Directors may create and appoint persons to a committee, commission, advisory board or other such body which may or may not have Directors as members, which body may not act on behalf of the Cooperative or bind it to any action but may make recommendations to the Board of Directors or to the Officers of the Cooperative. Committees, commissions and Advisory Boards that include Directors may be subject to the Massachusetts Open Meeting Law, G.L. c. 30A, §§18-25.

SECTION 6 - MEETINGS OF THE BOARD OF DIRECTORS

6.1 Place

All meetings of the Board of Directors shall be held at the principal office of the Cooperative or some other location within Barnstable County or Dukes County as shall be specified in the notice of meeting.

6.2 Annual and Regular Meetings

The Board of Directors shall meet at least quarterly for the transaction of any lawful business of the Cooperative, or such other day, time and place as shall be designated in the notice of meeting prescribed by Section 6.4 hereof. The Board may determine to meet more or less frequently in its discretion. Any regular meeting of the Board may be dispensed with or rescheduled by the Directors at any prior meeting of the Board. The September meeting of the

Board shall be considered the annual meeting of the Board of Directors for the purposes of these bylaws.

6.3 Special Meetings

The President and/or two or more Directors, when such person(s) deems it expedient and appropriate, may call a special meeting of the Board of Directors. At such special meeting, no business shall be considered or transacted other than as specified in the notice prescribed by Section 6.4.

6.4 Notice to Directors of Regular and Special Meetings

Notice of each meeting of the Board of Directors shall be given at least ten (10) days prior to each regular meeting and at least forty-eight (48) hours, not including Sundays and legal holidays, prior to a special meeting, by the Clerk of the Cooperative. Notice shall be in written or printed form and may be given by mail, facsimile, email or other delivery to each Director in person or addressed to the last known business, residential or email address, or facsimile number of such Director. Whenever any notice is required to be given by law or by these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto and retained with the records of the meeting. Except as otherwise provided herein, a notice or waiver of notice of a regular or annual Board of Directors' meeting need not specify the purposes of the meeting. Notice shall be deemed to be given at the time when the notice is mailed, transmitted or otherwise issued. Public notice of any regular or special meeting shall also be made in compliance with the Massachusetts Open Meeting Law, G.L. c. 30A, §§18-25 and other applicable law.

6.5 Conduct of Meetings; Executive Session

At each meeting of the Board of Directors, the President, or in the absence of the President, the Vice President, or in the absence of the Vice President, the Clerk shall act as presiding officer. The Clerk or the Assistant Clerk, or in his or her absence, another officer of the Cooperative, shall prepare or cause to be prepared minutes of all business transacted by the Board of Directors at each meeting. The meetings of the Board are subject to the Massachusetts law governing open meetings of governmental bodies and governmental boards and commissions, G.L. c. 30A, §§18-25 and G.L. c. 66, §5A. The Board of Directors may adopt rules regarding the conduct of executive session meetings in accordance with applicable Massachusetts law. If a Director is participating remotely in a meeting in accordance with the Massachusetts Open Meeting Law, G.L. c. 30A, §§18-25 and the regulations promulgated thereunder, the remote participation procedures required by law (such as taking votes by roll call and the requirement that the person chairing the meeting be physically present) shall also apply.

6.6 Quorum

A majority of the Directors shall constitute a quorum. The presence of less than a quorum may adjourn any meeting from time to time without further notice. The affirmative vote

of a majority of a quorum present at a meeting shall be necessary for any action taken by the Board of Directors. Suspended Directors shall not be factored in when determining a quorum.

6.7 Conflict of Interest Law; Vote of Interested Director

The Board, as it consists of county and municipal representatives is subject to the provisions of the Massachusetts Conflict of Interest Law, G.L. c. 268A, and shall act at all times in conformity therewith. Compliance with this Section 6.7 does not ensure compliance with such law.

In addition, a Director who himself or herself, has an immediate family member or partner who is a member, stockholder, trustee, director, officer, partner or employee of any firm, corporation or association with which the Cooperative contemplates contracting or transacting business shall disclose his or her relationship or interest to the other Directors acting upon or in reference to such contract or transaction. No Director so interested shall vote on such contract or transaction, but he or she may be counted for the purpose of determining a quorum. The affirmative vote of a majority of the disinterested Directors hereof shall be required before the Cooperative may enter into such contract or transaction.

In case the Cooperative enters into a contract or transacts business with any firm, corporation or association of which a Director is himself or herself, has an immediate family member or partner is a member, stockholder, trustee, director, officer, or employee, such contract or transaction shall not be invalidated or in any way affected by the fact that such Director may have interests therein which are or might be adverse to the interests of the Cooperative. No Director having disclosed such adverse interest shall be liable to the Cooperative or to any creditor of the Cooperative or to any other person for any loss incurred by it under or by reason of any such contract or transaction, nor shall any such Director be accountable for any gains or profits to be realized thereon.

SECTION 7 - OFFICERS

7.1 Election

At its first meeting and at its annual meeting thereafter, the Board of Directors shall elect a President, Vice President, Treasurer and Clerk and such other officers as the Board of Directors shall determine. The term of office for those so elected shall be one year and until their respective successors are elected and qualified.

7.2 Qualifications

Two or more offices may be held by the same person. The Clerk shall be a resident of Massachusetts unless a resident agent shall have been appointed pursuant to Massachusetts law.

7.3 **Vacancies**

Any vacancy occurring among the Officers, however caused, may be filled by the Board of Directors, for the unexpired portion of the term.

7.4 **Removal**

Any Officer of the Cooperative may be removed from office with or without cause by a majority vote of the Directors then in office at any annual or special meeting of the Board of Directors. An Officer may be removed for cause only after a reasonable notice and opportunity to be heard before the Board of Directors. An Officer who is removed from his or her office will at the same time be removed from his or her all of his or her other positions in the Cooperative.

7.5 **Resignation**

Any Officer may resign at any time by giving his or her resignation in writing to the President, Treasurer, any Vice President, Clerk or any other Officer or Director of the Cooperative. An Officer may resign as officer without resigning from other positions in the Cooperative, including the position of Director.

7.6 **President and Vice Presidents**

The President shall be the chief executive officer of the Cooperative and shall, subject to the direction of the Board of Directors, have general supervision and control of its business. The President shall not be a member of the Board of Directors unless he or she is independently elected to the Board of Directors in accordance with Section 4.2. Unless otherwise provided by the Board of Directors he or she shall preside, when present, at all meetings of the Board of Directors. In the absence or disability of the President, his or her powers or duties shall be performed by the Vice President, if any and, and if more than one, by the one designated for the purpose by the Board of Directors. Any Vice President shall have such other powers and shall perform such other duties as the Board of Directors may from time to time designate. If there is no Vice President, and the President is absent or disabled, his or her powers or duties shall be performed by the Treasurer.

7.7 **Treasurer and Assistant Treasurer**

The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Cooperative and shall cause to be kept full and accurate books of account. He or she shall have custody of all funds, securities, and valuable documents of the Cooperative, except as the Board of Directors may otherwise provide. He or she shall render a statement of the financial affairs of the Cooperative at each annual meeting of the Board of Directors and to the President upon request. In the absence or disability of the Treasurer, his or her powers and duties shall be performed by the Assistant Treasurer, if only one, or, if more than one, the one designated for the purpose by the Board of Directors. Any Assistant Treasurer shall have such other powers and perform such other duties as the Board of Directors may from time to time designate.

7.8 Clerk and Assistant Clerks

The Clerk shall keep a record of the meetings of Directors and shall give such notices of meetings as are required by these bylaws. In the absence of the Clerk from any meeting of the Board of Directors, an assistant clerk if one be elected, otherwise a temporary clerk designated by the person presiding at the meeting, shall perform the duties of the Clerk. An assistant clerk shall have such other powers and perform such other duties as the Board of Directors may from time to time designate.

7.9 Chief Procurement Officer

The Cooperative shall designate a Chief Procurement Officer who may be the same person as the President or other Officer of the Cooperative. The role of the Chief Procurement Officer, in accordance with applicable public procurement laws, shall be to select proposals for and facilitate the award of contracts on behalf of the Cooperative, with input from members of the Board, Cooperative staff, counsel and others, as such Chief Procurement Officer sees fit. Notwithstanding the foregoing, the Board may determine that the Cooperative, as long as consistent with applicable law, will select proposals and award contracts in another manner.

7.10 No Right to Compensation

Unless the Board of Directors in its discretion provides for compensation, Officers shall serve without compensation. No Officer resigning, and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the Cooperative) no Officer removed, shall have any right to any compensation as such Officer for any period following his or her resignation or removal, or any right to damages on account of such removal, whether his or her compensation be by the month or by the year or otherwise.

SECTION 8 - INDEMNIFICATION OF DIRECTORS AND OFFICERS; NO WAIVER OF IMMUNITY

The Cooperative shall, subject to the limitations set forth in Section 9 of G.L. c. 258 and to the extent legally permissible, indemnify any person serving or who has served as a Director or Officer of the Cooperative against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him or her, in connection with the defense or disposition of any action suit or other proceeding, whether civil or criminal, in which he or she may be involved or with which he or she may be threatened, while serving or thereafter, by reason of his or her being or having been such a Director, Officer, trustee, employee or agent, except with respect to any matter as to which he or she shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Cooperative; provided, however that as to any matter disposed of by a compromise payment by such Director, Officer, trustee, employee or agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless:

(a) Such compromise shall be approved as in the best interests of the Cooperative, after notice that it involves such indemnification by a disinterested majority of the Directors then in office; or

(b) in the absence of action by disinterested Directors, there has been obtained at the request of a majority of the Directors then in office an opinion in writing of independent legal counsel to the effect that such Director or Officer appears to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Cooperative.

Expenses including counsel fees, reasonably incurred by any such Director, Officer, trustee, employee or agent in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Cooperative in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the Cooperative if it is ultimately determined that indemnification for such expenses is not authorized under this Section. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any such Director, Officer, trustee, employee or agent may be entitled. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel other than such Directors, Officers, trustees, employees or agents may be entitled by contract or otherwise under law. As used in this Article the terms “director,” “officer,” and “trustee,” “employee” and “agent” include their respective heirs, executors and administrators, and an “interested” Director, Officer, trustee, employee or agent is one against whom in such capacity the proceedings in question or other proceedings on the same or similar grounds is then pending.

In addition, the Cooperative shall seek to obtain and maintain in full force and effect a policy of director’s and officer’s liability insurance (the “D&O Insurance”) in commercially reasonable amounts from an established and reputable insurer. Notwithstanding the foregoing, the Cooperative shall have no obligation to obtain or maintain D&O Insurance if the Board of Directors determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided or the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

No portion of these bylaws shall be deemed to constitute a waiver of any common law or statutory immunities of the Cooperative, the Members or their directors, officers and employees. No portion of these bylaws shall be deemed to have created a greater duty of care which did not previously exist as a matter of common or statutory law with respect to any public employee.

SECTION 9 – NATURE OF COOPERATIVE

The Cooperative shall operate as an instrumentality of its government Members and shall at all times serve the needs and interests of such Members.

The Cooperative shall accept funds only from its Members or other sources that will not jeopardize its tax-exempt status.

The Cooperative shall be organized and shall conduct its business primarily for the mutual benefit of its Members as patrons of the Cooperative. Members shall have no individual or separate interest in the property or assets of the Cooperative except as provided herein.

The Cooperative must comply with all public procurement laws applicable to its Members.

SECTION 10 – FINANCIAL MATTERS

The Cooperative shall only levy a financial assessment upon its members, issue bonds, incur other borrowings or incur financial commitments upon obtaining the affirmative vote of a majority of the members of the Executive Committee at which there is a quorum present in accordance with Section 5.3 followed by a two-thirds vote of the Board of Directors present and voting at any meeting (or a higher threshold, if a higher threshold is required by applicable law). Issuance of bonds and other borrowings must be made in furtherance of the Cooperatives purposes, policies and goals as set forth in Section 1 of these bylaws.

SECTION 11 – DISSOLUTION

In the event of dissolution, any remaining assets after satisfaction of liabilities shall be distributed only to Members. Title to all debt-financed property shall revert to the Member(s) on a *pro rata* basis in proportion to their financial or in-kind contributions to, and/or pledges or guaranties on behalf of the Cooperative. If it is in the best interest of the Cooperative or there are equitable interests to be taken into account, the Board may vary the post-dissolution allocation of debt-financed property among the Members.

SECTION 12 – MISCELLANEOUS

12.1 Corporate Records

The original, or attested copies, of the Articles of Organization, bylaws and records of all meetings of the incorporators and Directors shall be kept in Massachusetts at the principal office of the Cooperative, at an office of its Assistant Clerk, at an office of its attorney, or at such other location as the Board of Directors may designate. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times for the inspection of any Member or Director for any proper purpose and as required by law. The records of the Cooperative shall be subject to the Massachusetts Public Records Act, G.L. c. 66, and shall be deemed public records, unless such records fall within the exemptions set forth in G.L. c. 4, §7, including exemptions for development of inter-agency policy and trade secrets or commercial or financial information.

12.2 Fiscal Year

The fiscal year of the Cooperative shall begin on July 1 and end on June 30th, the same fiscal year as established by the General Laws for cities and towns in the Commonwealth.

12.3 Execution of Papers

All deeds, leases, transfers, contracts, bonds, notes, releases, drafts and other material obligations authorized to be executed on behalf of the Cooperative which obligate the Cooperative's resources in excess of one hundred-thousand dollars (\$100,000.00) shall be signed by at least two persons. Such persons shall either be an Officer of the Cooperative, the Cooperative's General Manager, or persons as the Board of Directors may generally or in particular cases otherwise determine. Checks may be signed by a single Officer of the Cooperative, the Cooperative's General Manager, or persons as the Board of Directors generally or in particular cases otherwise determine.

12.4 Evidence of Authority

A certificate by the Clerk or Assistant or Temporary Clerk as to any matter relative to the Articles of Organization, bylaws, records of the proceedings of the incorporators, Board of Directors, or any committee of the Board of Directors, or as to any action taken by any person or persons as an Officer or agent of the Cooperative, shall as to all persons who rely thereon in good faith be conclusive evidence of the matters so certified.

12.5 Limitations on Compensation

Reasonable compensation may be paid to individuals for services rendered. No part of the net earnings of the Cooperative may inure to the benefit of any Director, Officer or other individual.

12.6 Services Furnished by Members

Members may provide services to the Cooperative and may receive reasonable compensation for such services.

12.7 Reports; Financial Audits

The Cooperative shall prepare an annual report which shall be provided, without charge, to each of its Members at the annual meeting of the Members, or at such other time as the Board of Directors may determine. External financial audits will be conducted on a regular and recurring basis by a C.P.A. in accordance with generally accepted accounting practices ("GAAP") or such other standard as the Board of Directors shall determine.

12.8 Amendments

These bylaws may be altered, amended or repealed, in whole or in part, by the affirmative vote of eighty percent (80%) of the Directors present and voting at any meeting, the notice of which contains a statement of the proposed alteration or amendment.

12.9 Shared Legal Representation Involving Members or Other Public Entities; Official Duties of Cooperative Counsel

The purpose of this bylaw is to allow the Cooperative from time to time to retain counsel who may also represent its Members or other public entities in matters in which the Cooperative has a direct or substantial interest without violating G.L. c. 268A, §11(a) and (c). Such dual or common representation allows the Cooperative to pool resources for a common purpose, develop mutual interests, and preserve scarce Cooperative funds. Pursuant to this bylaw, the official duties of Cooperative counsel include, but are not limited to, representing Members or other public entities in (i) administrative and judicial proceedings in which the Cooperative is also a party; (ii) contract negotiations or project development matters in which the Cooperative or its Members have an interest, and (iii) other matters in which the Cooperative has a direct or substantial interest, provided that in each instance, such dual or common representation would not cause a violation of rules governing attorney conduct. Cooperative counsel shall discharge such duties only when requested in writing by the Cooperative's Board of Directors. Prior to making such a request, the Cooperative's Board of Directors shall determine whether the interests of the Cooperative would be advanced by such dual or common representation and shall evaluate if actual or potential conflicts of interest exist. If any conflicts are identified, they shall be described in the written request. Counsel shall then make its own determination whether such dual or common representation would not cause a violation of rules governing attorney conduct.

12.10 General Manager/Administrator

The administrative and day-to-day operation of the Cooperative may be the responsibility of an employed chief staff head or firm engaged by and responsible to the Board of Directors. The employed staff head or, in the case of a firm, chief staff executive retained by the firm shall have the title of "General Manager," "Administrator," or other such title as may be designated by the Board of Directors. The General Manager/Administrator shall have the authority to execute contracts on behalf of the Cooperative as set forth in these bylaws, and as may be approved by the Board of Directors from time to time. The General Manager/Administrator shall carry out such other duties as may be specified by the Board of Directors or the President.