

**BY-LAWS OF THE ENERGY COOPERATIVE ASSOCIATION OF PENNSYLVANIA**  
*Revised June 2016*

A Non Profit Cooperative Organized Under The Commonwealth of Pennsylvania  
Cooperative Corporation Law of 1988

**ARTICLE I - PURPOSES-NAME**

1.1 Corporate Name. The name of the Cooperative shall be the Energy Cooperative Association of Pennsylvania and shall also be known as "ECAP" or "The Energy Cooperative" or "The Energy Co-op."

1.2 Corporate Purposes. The purposes of the Energy Cooperative Association of Pennsylvania (the "Cooperative") are: to provide energy cost savings, education and advocacy on behalf of our members; to promote the efficient use of energy and the use of renewable energy; to support cooperative concepts and participate in the cooperative movement.

**ARTICLE II – OFFICES**

2.1 Offices. The Cooperative shall have offices in Pennsylvania as determined by the Board of Directors. The Cooperative may also have offices at such other places as the Board of Directors, from time to time, may determine.

**ARTICLE III - MEMBERSHIP**

3.1 Membership in General. Membership in the Cooperative shall be open to the following classes:

- (a) Class A: Organizations - Any cooperative organization, credit union, unincorporated association, community association or non-profit organization.
- (b) Class B: Households - Any residential household or residential consumer of energy.
- (c) Class C: Businesses - Any businesses or for profit enterprises not in Class A.

3.2 Designated Representative. Each Class B household and each Class A and Class C member shall designate a natural person to represent the member in connection with all business, rights, duties and responsibilities with regard to the Cooperative ("Designated Representative"). Such designation shall be communicated to the Secretary, or designee of the Cooperative by the authorized body of the member. Only the Designated Representative is authorized to vote at meetings of the membership or to otherwise conduct business on behalf of the member.

3.3 Affiliated Households. Class B members who are affiliated with a Class A or Class C member whose names are submitted to the Secretary, or designee of the Cooperative shall be

considered affiliated households ("Affiliated Households") by that member for purposes of incentives and patronage rebates.

3.4 Application. Any Class A organization, Class C business or Class B household that wishes to become a member of the Cooperative must complete the enrollment process.

3.5 Members. On any date, members are those entities that (1) have directly or indirectly purchased products or services from, or otherwise engaged in economic transactions pursuant to which they received products or services from The Energy Co-op during the 365-day period immediately preceding the date in question; and (2) have not been expelled pursuant to Article 3.7 of the by-laws. Any change made by the Board of Directors in the requirements for membership shall be temporary and shall be subject to approval by the members present and voting at the next regular membership meeting or at any special membership meeting called for that purpose and/or who have submitted lawful proxy votes in accordance with these by-laws.

3.6 Transfer of Membership. Memberships shall be nontransferable.

3.7 Expulsion. The Cooperative may expel any member for failure to comply with these by-laws or other rules and regulations of the Cooperative or for other conduct detrimental to the Cooperative.

3.8 Limitation of Members. The Board of Directors may, from time to time, decide to limit the number of members of any one or more classes of the Cooperative and may vote to accept no new applications for membership from any one or more classes of Members for a set period of time.

3.9 Privileges. All members have all member benefits. Members of record as of the date the member list is determined for purposes of the Annual Membership Meeting (AMM), which date shall not be more than 21 days prior to the date of the AMM, shall be eligible to vote at such AMM.

#### **ARTICLE IV - MEETINGS OF MEMBERS**

4.1. Regular Meetings. Regular meetings of the members shall be held annually, , within one hundred eighty (180) days of the end of the Cooperative's fiscal year; the particular date, time and place of each meeting to be determined by the Board of Directors.

4.2. Special Meetings. Special meetings of the Members may be called by:

(a) a resolution of the Board of Directors, or

(b) a petition signed by:

(i) ten percent (10%) of the Class A Members, or

(ii) ten percent (10%) of the Class C Members or

(iii) the lesser of either ten percent (10%) or 250, of the Class B

Members.

The Resolution or Petition shall state the purpose of the requested meeting and shall be delivered to the Secretary. Upon receipt of such a request, the Secretary shall call a special meeting to take place no sooner than fifteen (15) days and no later than forty-five (45) days after receipt of the Resolution or Petition. If the Secretary fails to call the meeting and to issue notice of it within seven days after the receipt of the petition, the petitioning members may issue the notice. If a Special Meeting is called as described above, the Cooperative shall pay reasonable costs of such notice.

4.3 Notice of Meeting. The Secretary, or designee shall mail, e-mail, fax, or deliver a written notice of the meeting of the members, setting forth the date, time, place and nature of the business of the meeting, to each member at the member's last known address, not less than ten business days before the date of the meeting. In the case of a special meeting, the purpose or purposes of the meeting shall be set forth in the notice of meeting, and no business other than that set forth in the notice shall be transacted at that meeting or any adjournment of it.

4.4 Quorum. A number of members entitled to vote equivalent to at least three percent (3%) of the members shall constitute a quorum at any meeting of members. Members shall be deemed present if they attend in person or submit a proxy by mail or facsimile that is properly executed. The members present at a properly organized meeting may continue to do business, despite the withdrawal from the meeting of enough members so as to leave less than a quorum present. If a meeting of members cannot be organized because a quorum has not attended, those present may adjourn the meeting to such date, time and place as they may determine, no sooner than ten business days from adjournment, and notice of such adjourned meeting shall be mailed, e-mailed, faxed, or delivered to the members by the Secretary, or designee not less than ten business days before the date of the meeting. Those members who attended such adjourned meeting, although less than a quorum, shall be deemed to constitute a quorum at that meeting only for the transaction of such business as was properly before the prior adjourned meeting, and election of directors.

4.5 Adjournments. Any meeting of members at which a quorum is present may be adjourned, by majority vote of the members present and entitled to vote, to another time and place, no sooner than ten business days from adjournment. Notice of such adjourned meeting shall be mailed, e-mailed, faxed, or delivered to the members by the Secretary or designee not less than ten business days before the date of the meeting. At any such adjourned meeting any business may be transacted which was on the adopted agenda of the original meeting.

#### 4.6 Voting.

(a) Eligibility -- The Secretary shall review or cause to have reviewed the membership records prior to each meeting of the members and shall determine that they contain the names of members in good standing and entitled to vote. A list of such members or other similar records shall be produced and kept open at the time and place of such meeting.

(b) One Vote -- Each member shall have one and only one vote upon any single matter. The Designated Representative or its named designee shall be

the person eligible to cast the vote on behalf of the member. Voting may be in person or by proxy as submitted through the U.S. Mail, facsimile, or email.

(c) Majority -- Unless otherwise required by statute or set forth in these by-laws, with the exception of the election of the board of directors, all questions brought before the meeting shall be determined by the votes of a majority of the Class A, Class B and Class C members present and/or who have submitted lawful proxy votes and are entitled to vote in accordance with these by-laws. All votes need the affirmative approval of the majority of each Class of members in order to be binding on the Cooperative.

(d) Election of the Board of Directors -- Except as otherwise provided by statute, the Articles of Incorporation, or these by-laws, Directors shall be elected by a majority vote of those members who cast votes either in person or by proxy in accordance with these by-laws. All voting for Directors shall be by closed ballot.

4.7 Conduct of Meetings. Meetings of members shall be governed by Robert's Rules of Order. The presiding officer at each meeting shall appoint a parliamentarian to advise the presiding officer with regard to procedural matters. The regular meetings of members shall include the following matters:

- (a) Recording the names of members present or who have submitted proxy votes in accordance with these by-laws;
- (b) Reading and action on minutes of previous meeting of members;
- (c) Reports of officers and Board of Directors committees;
- (d) Report of financial condition;
- (e) Elections; and
- (f) Other business.

4.8 Referendum on Acts of Directors.

(a) Unless otherwise provided by law or in a by-law provision adopted by the members, all powers and duties of the organization shall be vested in, and exercised by or under, the authority of the Board of Directors. The business and affairs of the Cooperative shall be managed by the Board of Directors and all votes of the board shall be final except those decisions that are reserved by law or by a provision of these by-laws for approval by the membership.

## **ARTICLE V - DIRECTORS AND OFFICERS**

5.1 Powers of the Board of Directors. The administration of the Cooperative

shall be vested in a Board of Directors who shall act for the Cooperative in all matters, except those to be acted upon by the members as required by statute, the Articles of Incorporation or other sections of these by-laws.

#### 5.2 Number of Board of Directors

(a) The Board of Directors shall be made up of between five (5) and eleven (11) directors.

(b) Directors will be solicited from all Classes of membership. The ideal Board will comprise:

(i) One (1) director who shall be elected from among the Class A members;

(ii) Three (3) directors who shall be elected from among the Class B members;

(iii) One (1) director who shall be elected from among the Class C members;

(iv) Up to six (6) at-large Directors who contribute necessary technical or professional expertise but may not necessarily be cooperative members; and

(v) At least 50% active members of the Cooperative.

5.3 Officers. All Officers shall be members of the Board of Directors. The Officers of the Cooperative shall be the President, the Vice-President, the Secretary, the Treasurer, or a Secretary/Treasurer, all of whom shall be elected to their offices by the Board of Directors.

#### 5.4. Terms of Office of Directors.

(a) The initial term of the Board of Directors shall be staggered so that two Class A, one Class B and one Class C board member serves for one year, and three Class A, one Class B and one Class C board member serves for two years.

(b) Thereafter each Director of the Board shall be elected by the members for a term of two years. Each Director's term may be renewed by vote of the membership for a maximum of three consecutive renewal terms, for a maximum of eight consecutive years (when the two-year initial term and the three consecutive two-year renewal terms are taken together). After serving up to a maximum of four consecutive terms, a Director shall be required to rotate off the board for two years. After that time, the Director may once again run for, and be elected to, a new two-year term of service, which can once again be renewed up to a maximum of three consecutive renewal terms. If necessary, the Board may extend a Director's term to preserve the

minimum number of Directors required under Section 5.2(a) until that Director's successor is elected and assumes office.

#### 5.5 Vacancies.

(a) Class A and Class C vacancies in the Board of Directors that occur between elections shall be filled by the member for whom the resigned or removed Director was the Designated Representative, by the selection by that member of a new Designated Representative, and the approval of the President of the Board, which approval shall not be unreasonably withheld. Should the member fail to do so within thirty (30) days, then the vacancy shall be filled by a majority vote of the remaining Directors, even if less than a quorum, and each person so elected shall be a Director until the successor is elected by the members, who may make such an election at the next regular meeting or at any special membership meeting called for that purpose.

(b) Vacancies that occur as a result of the loss of a Class B member either through resignation or removal shall be filled by a majority vote of the remaining Directors, even if less than a quorum, and each person so elected shall be a Director until the successor is elected by the members, who may make such an election at the next regular meeting or at any special membership meeting called for that purpose.

(c) Vacancies that occur as the result of the loss of a Director either through resignation or removal shall be filled if such a candidate exists, by a majority vote of the remaining Board of Directors, even if less than a quorum is present at the selection.

5.6 Removal of a Director. A Director may be removed, with or without cause, by a vote of at least two-thirds of the members present and/or who submitted a lawful proxy vote and who are entitled to vote at a regular or special membership meeting. Cause shall include but not be limited to the absence for any reason, at three or more meetings in a twelve-month period.

5.7 Compensation of Directors. Directors shall receive no monetary compensation from the Cooperative for their service as Directors.

#### 5.8 Meetings.

(a) The Board of Directors may hold meetings, both regular and special, at such time and place as they may from time to time, determine, but not less than quarterly. The date, time and place of each meeting of the Board of Directors shall be communicated to the Directors by the Secretary or designee at least five business days prior to a special meeting, and ten business days prior to a regular meeting. All meetings of the Board of Directors shall be open to the membership and (if applicable) their employees.

(b) Unless otherwise provided in these by-laws, one or more Directors may participate in a meeting of the Board by means of conference telephone or

similar communications equipment by means of which all meeting attendees can participate in real time. Participation in a meeting pursuant to this method shall constitute presence in person at the meeting.

5.9 Organizational Meetings. After each membership meeting at which Directors are elected, the Directors shall meet to elect officers and conduct other business as necessary for the proper running of the Cooperative.

5.10 Special Meetings. Special meetings of the Board of Directors may be called by the President or by any three Directors. Notice of a special meeting shall be given to each Director at least five business days prior to the meeting. In the case of a special meeting called by the President, the President shall give the notice. In the case of a special meeting called by three Directors, the Secretary shall give the notice upon written request of the Directors who called the meeting.

5.11 Quorum. At all meetings of the Board of Directors, unless otherwise required by statute or set forth in these by-laws, a majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of business. The Directors present at a properly organized meeting may continue to do business, despite the withdrawal from the meeting of enough Directors so as to leave less than a quorum present. If a quorum shall not be present at any meeting of Directors, the Directors present may adjourn the meeting until a quorum shall be present.

## **ARTICLE VI – OFFICERS**

6.1 President. The President shall preside at all meetings of the Board of Directors. Except as otherwise provided by these bylaws or resolution of the Board of Directors, the President can sign all contracts, notes, bonds, checks, and other evidences of indebtedness issued by the Cooperative, and other official instruments or documents of the Cooperative. The President shall be a member ex-officio of all committees of the Cooperative. The President shall deliver the report of the Board of Directors at membership meetings.

6.2 Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice-President shall preside at membership meetings, shall rule on points of order and procedure at such meetings, and shall appoint a parliamentarian at such meetings to advise on points of order and procedure. The Vice-President shall perform such other duties and have such other powers as the Board of Directors may, from time to time, prescribe.

6.3 Secretary. The Secretary or designee shall record the minutes of Board and Membership meetings. The Secretary or designee shall deliver to all directors a copy of the minutes of the meetings of the Board of Directors within thirty days after such meeting. The Secretary or designee shall make available to the members of the Cooperative, a copy of the minutes of the membership meetings within 120 days from the date of the membership meeting. Such meeting minutes shall be posted on the Cooperative's web site and mailed to any member upon request. The Secretary shall keep custody of the official documents of the Cooperative.

6.4 Treasurer. The Treasurer shall serve in an advisory financial/accounting role to both the Director(s) and the Board. The Treasurer shall review the monthly financials, yearly budget, annual outside audit and serve as a mentor and advisor to the Director(s). The Treasurer shall

provide guidance in financial matters as requested by the Director(s), who has many of the responsibilities for day-to-day financial operations, including monthly and annual reporting of the financial condition to the Board. The Treasurer shall sign all documents or contracts that may require his/her signature. The Treasurer shall also perform such other duties and have such other powers as the Board of Directors may, from time to time, prescribe.

6.5 Term of Office. Each Officer shall be elected by the Board of Directors at the Board meeting held after the Annual Membership Meeting for a one-year term and shall serve until a successor is properly elected and assumes office.

## **ARTICLE VII – MISCELLANEOUS**

7.1 Bonding. All persons authorized to sign checks or withdraw funds of the Cooperative, bookkeepers performing services for the Cooperative, and any other person handling funds of the Cooperative amounting to \$1,000 or more in any one year shall be covered by an adequate bond in an amount to be determined by the Board of Directors. This bonding coverage shall be maintained at the Cooperative's expense.

7.2 Auditing. The Books of the Cooperative shall be audited at the end of each fiscal year by a Certified Public Accountant in an independent audit or a business review.

7.3 Checks. All checks or demands for money and notes of the Cooperative shall be signed by such persons as the Board of Directors shall designate.

7.4 Fiscal Year. The fiscal year of the Cooperative shall be defined by the Board of Directors.

7.5 Seal. The seal of the Cooperative shall have inscribed on it the words "Energy Cooperative Association of Pennsylvania" the year "1998" and "Commonwealth of Pennsylvania."

7.6 Annual Report. The Cooperative shall annually, within one hundred twenty (120) days after the end of the fiscal year, make a report of its condition sworn to by the President and Secretary, which shall be presented to the membership before or at the Annual Membership Meeting. The report shall state:

- (a) The name and principal address of the Cooperative;
- (b) The names, addresses, occupations and date of expiration of the terms of the Directors and Officers;
- (c) The receipts and expenditures of the Cooperative during the year, and the assets and liabilities of the Cooperative as of the end of the fiscal year, including principal changes in the assets or liabilities occurring during the past fiscal year. A copy of this report shall be kept on file at the principal office of the Cooperative.

7.7 Amendment of By-Laws. These by-laws may be altered, amended or



repealed by a two-thirds majority of the members present and/or who have submitted a proxy vote in accordance with these by-laws and are entitled to vote at any regular or special membership meeting duly convened after notice to the members of this purpose, which notice shall contain the text of the proposed amendments. Any proposed amendments of these by-laws must be delivered to all members at least ten business days prior to the meeting at which they will be acted upon.

## **ARTICLE VIII - DISPOSITION OF NET SAVINGS**

8.1 Net Savings. Net Savings is the total income of the Cooperative minus its costs of operation. The cost of operations shall include all annual changes in reserves and capital accounts.

8.2 Patronage. A member's patronage is the total amount spent by such member for the purchases of goods or services from the Cooperative. The total patronage is the total of all members' patronage.

8.3 Patronage Rebate of Net Savings.

(a) After the end of each fiscal year, the Cooperative may rebate all of the net savings for that year to all or certain classes of members on the basis of their patronage during that year, in accordance with the following:

(i) The amount rebated to each member shall bear the same ratio to the total net savings as the member's patronage bears to the total patronage;

(ii) Each member's rebate shall be paid to the member in cash within 8 months after the end of the fiscal year. If so elected by Class B members affiliated with a Class A or Class C member, the rebate may be assigned to the affiliated Class A or Class C member.

(b) The Board of Directors shall prepare a proposed plan for the patronage rebates for presentation at the Annual Membership Meeting, at which time the members present shall adopt a final plan consistent with the requirements of this section.

8.4 Written Notice to Members. After adoption of a plan by the Cooperative for rebate of net savings, the Board of Directors shall cause a written notice titled "Patronage Rebate Fund for the Previous Fiscal Year" to be distributed to each member within eight months after the end of the fiscal year stating the amount of net savings paid the member in cash as part of the patronage rebate. In the case of Class B members who are Affiliated Households with a Class A or Class C member, the amount of net savings paid to the Class A or Class C member shall also be provided to the Class B affiliated household member.

## **ARTICLE IX - CAPITAL CONTRIBUTIONS/INVESTMENTS**

9.1 Capital Contributions as a Requirement. The Board of Directors may require that members, upon admission, or subsequent to admission, make capital contributions. The Board of Directors may establish a capital contributions requirement for all or some classes of members.

9.2 Capital Contributions as a Voluntary Activity. The Board of Directors may establish a policy for the acceptance of voluntary capital contributions from members of one or more Classes of Members.

9.3 Existing Regular Capital Accounts. Members of the Cooperative that were also members of the predecessor Energy Cooperative Association of Philadelphia who have existing regular capital contribution accounts may do one of the following with the funds in this account

- (a) donate the funds to this newly created Cooperative; or
- (b) invest the funds as a capital contribution.

9.4 Reserve Capital Accounts. Members of this Cooperative that were also members of the predecessor cooperative, the Energy Cooperative of Philadelphia, who have existing reserve capital accounts, shall continue to have such reserve accounts with this Cooperative. Reserve capital shall not be returned to members until such time as this Cooperative is dissolved or as otherwise prescribed by statute.

9.5 Subventions. The Cooperative shall be authorized by resolution of the Board of Directors to accept subventions from members or nonmembers on terms and conditions as determined by the board in its resolution. The resolution of the board may provide that holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the original amount or value of the subventions. The rights of holders of subventions shall at all times be subordinate to the rights of creditors of the cooperative.

## **ARTICLE X - LIMITATION OF PERSONAL LIABILITY OF DIRECTORS INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES**

10.1 Limitation of Personal Liability of Directors. Directors of the Cooperative shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- (a) the Director has breached or failed to perform the duties of his or her office as defined below: and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this Section shall not apply to:
  - (i) the responsibility or liability of a Director pursuant to any criminal statute; or
  - (ii) the liability of a Director for the payment of taxes pursuant to local, state or federal law.

## 10.2 Standard of Care and Justifiable Reliance.

(a) A Director of the Cooperative shall stand in a fiduciary relationship to the Cooperative, and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Cooperative, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more Officers or Employees of the Cooperative whom the Director reasonably believes to be reliable and competent in the matters presented

(ii) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person;

(iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence. A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(b) In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interests of the Cooperative, consider the effects of any action upon Employees, upon persons with whom the Cooperative has business and other relations, and upon communities in which the offices or other establishments of or related to the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this Section.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

## 10.3 Indemnification of Directors, Officers and Employees in Third Party

Proceeding. The Cooperative shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a Director or Officer or Employee of the Cooperative, or, while serving as a Director or Officer or Employee of the Cooperative, also is or was serving at the request of the Cooperative as a director, officer, employee, agent or other representative of another

corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

10.4 Indemnification of Directors, Officers and Employees in Derivative Actions.

The Cooperative shall indemnify any person who was or is a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director or Officer or Employee of the Cooperative, or, while serving as a Director or Officer or Employee of the Cooperative, also is or was serving at the request of the Cooperative as a director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such threatened, pending or completed action or suit by or in the right of the Cooperative.

10.5 Procedure for Effecting Indemnification of Directors and Officers and Employees. Indemnification under Sections 11.3 and 11.4 shall be automatic and shall not require any determination that indemnification is proper, except that no indemnification shall be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

10.6 Discretionary Indemnification of Others. The Cooperative may, at the discretion of, and to the extent and for such persons as determined by, the Board of Directors of the Cooperative, (i) indemnify any person not entitled to indemnification under Sections 11.3 and 11.4 who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and including actions or suits by or in the right of the Cooperative to procure a judgment in its favor, by reason of the fact that the person is or was an agent or other representative of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such threatened, pending or completed action, suit or proceeding, and (ii) pay such expenses in advance of the final dispositions as provided in Section 11.7 hereof.

10.7 Advancing Expenses. Expenses incurred in connection with a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the indemnified individual to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Cooperative.

10.8 Indemnification of Former Directors, Officers, Employees and other Representatives. Each indemnity provided in this Article shall continue as to a person who has ceased to be a Director, Officer, Employee, agent or other representative of the Cooperative and shall inure to the benefit of the heirs, executors and administrators of such person.

10.9 Insurance. The Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Employee, agent or other

representative of the Cooperative or is or was serving at the request of the Cooperative as a director, officer, employee, agent or other representative of another corporation, partnership, joint, venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Cooperative would otherwise have the power to indemnify such person against such liability.

10.10 Reliance on Provisions. Each person who shall act as an authorized representative of the Cooperative shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

#### **ARTICLE XI - DISTRIBUTION OF ASSETS UPON DISSOLUTION**

Upon dissolution of the Cooperative, any gains from the sale of appreciated assets shall be distributed to all people who were members during the period when the asset was owned by the organization. This distribution shall be made in proportion to the amount of business done by such members during that period.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of the by-laws of the Energy Cooperative of Pennsylvania, a Pennsylvania non-profit cooperative corporation, as in effect on the date hereof.

I hereby certify this 13th day of June, 2016, that the foregoing constitute the complete by-laws adopted by the Energy Cooperative Association of Pennsylvania.



Sean McConnell, President