

# **Bylaws of North Itasca Electric Cooperative Community Trust**

## **Article I. Name of Organization**

The name of the corporation shall be the North Itasca Electric Cooperative Community Trust, hereinafter referred to as the 'Trust.'

## **Article II. Purpose of Organization**

The purpose of the Trust shall be the accumulation and disbursement of funds for charitable and educational purposes primarily in the area served by North Itasca Electric Cooperative. Upon dissolution of the Trust, any remaining funds shall be distributed only for charitable and educational purposes or to any federal, state or local governmental unit for use by it for public purposes.

## **Article III. Funding**

The trust shall be funded by Operation Round Up<sup>®</sup> voluntary contributions from members of North Itasca Electric Cooperative and from any other source of funds available to the said Trust.

## **Article IV. Board of Directors**

The Board of Directors shall consist of not less than five (5) and not more than nine (9) members designated by the board of directors of North Itasca Electric Cooperative, and shall serve terms that are concurrent with the North Itasca director who appointed him or her. Terms of office for each Trust board member shall be for a period of three (3) years.

Should a Trust board vacancy occur prior to the end of a director's term, the North Itasca Electric Cooperative board may appoint a replacement.

## **Article V. Qualifications of board membership**

A board member of the Trust shall be at least eighteen (18) years of age, a permanent resident of the State of Minnesota and a person of good moral character. Members of the board of directors of the Trust shall be comprised of not less than five (5) persons residing in the service territory of North Itasca Electric Cooperative. A Board Member and two staff employees of North Itasca Electric Cooperative shall be ex officio members of the Trust board, the same persons to be appointed by the Board of Directors of North Itasca Electric Cooperative.

## **Article VI. Compensation for directors**

No director shall receive compensation for serving on the board of directors of the Trust. Such board members may, however, may be granted a per diem or be reimbursed for mileage and out-of-pocket expenses incurred while at regular or special board meetings or while on business of the Trust when such business is sanctioned by the board of directors of said Trust.

## **Article VII. Meeting of the board of directors**

1. **Regular Meeting:** The board of directors of the Trust shall meet at least annually at a place designated by the board. The board of directors may meet semi-annually or at such other regular times as the board may deem to be necessary.
2. **Special Meetings:** Special meetings of the board of directors may be called by the president of the Trust or by any three (3) directors of the Trust and it shall thereupon be the duty of the secretary/treasurer to cause a Notice of such meeting to be given a hereafter provided. The president or directors calling such meeting shall fix the time and place.
3. **Notice of directors meeting:** Written notice of the time and place of regular and special meetings of the board of directors shall be delivered to members of the board not less than five (5) days prior thereto, either personally, by mail, or at the direction of the secretary/treasurer, and upon default in that duty by the secretary/treasurer, then by the president or the directors calling for such meeting.
4. **Meeting by means of electronic communication:** Directors may participate in a meeting of the Board by means of conference telephone or similar means of communications by which all persons participating in the meeting can simultaneously hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.
5. **Annual Meeting:** The board of the Trust shall designate a time for the annual meeting.

## **Article VIII. Quorum**

A majority of the board of directors shall constitute a quorum. In the event that less than a majority of the board of directors is present at any meeting, the majority of those directors present may adjourn the meeting and designate a place and time for the next meeting, under which circumstances the secretary/treasurer shall notify the absent members of the place and time of the next meeting. An act of the majority of the board of directors present at any meeting at which a quorum is present shall be the act of the board of directors of the Trust, unless otherwise provided in these Bylaws.

## **Article IX. Removal of member of board**

Any member of the board of directors of the Trust shall automatically cease to be a member of said board if and in the event such member misses three (3) successive "regular" meetings as outlined in Section "A" of Article VIII of these Bylaws. Any member of the board of directors of the Trust may otherwise be removed from the board by a two-thirds (2/3) vote of the entire board of directors of the Trust or by a two-thirds (2/3) vote of the entire board of directors of North Itasca Electric Cooperative.

## **Article X. Officers of the Corporation**

The officers of the Trust shall be a president, a vice president, a secretary/treasurer, and such other officers as may be determined by the board from time to time. For the purposes of these Bylaws, the above three (3) officers shall constitute the Executive Committee of the Trust.

## **Article XI. Election of officers and terms of office**

The officers shall be elected annually by the board of directors at a meeting of the board of directors held on an annual basis after the initial organizational meeting.

## **Article XII. Ex Officio members of board of directors**

A Board Member and two staff employees of North Itasca Electric Cooperative shall be ex officio members of the Trust board, the same persons to be appointed by the Board of Directors of North Itasca Electric Cooperative. The Trust may from time to time have other such ex officio non-voting members as the board of directors of the Trust may in its discretion determine as necessary or prudent.

## **XIII. Duties of officers and Board**

1. **President:** The president shall be the principal executive officer of the Trust and, unless otherwise determined by the board of directors, shall preside at all meetings of the board of directors and in general perform all duties incidental to the office of president and such other duties as may be prescribed by the board of directors from time to time.
2. **Vice President:** In the absence of the president, or in the event of the president's inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon then president. The vice president shall also perform such other duties as from time to time may be assigned to the vice president by the board of directors.
3. **Secretary/Treasurer:** The secretary/treasurer shall be responsible for the keeping of the minutes of the meetings of the members and of the board of directors in one or more books provided for that purposes; be responsible for seeing that all notices are duly given in accordance with these Bylaws or as required by law; be custodian of the corporate records of the Trust; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Trust containing all amendments thereto; have charge and custody of and be responsible for all funds and securities of the Trust; be responsible for the receipt of and the issuance of receipts for moneys due and payable to the Trust from any source whatsoever, and shall be selected in accordance with the provisions of these Bylaws; and in general perform all duties incidental to the office of secretary/treasurer and such other duties as from time to time may be assigned to the by the board of directors.
4. The Board shall be responsible to make a report of the affairs of the Trust for the preceding year annually to the members of North Itasca Electric Cooperative at the NIEC annual meeting .

#### **Article XIV. Check signing**

Any and all checks issued by the Trust, for any purpose, shall be signed by two (2) officers or one (1) officer and such other person(s) as may be designated by the board of directors of the Trust as having check signing authority.

#### **Article XV. Disbursement of funds**

Except as otherwise provided by these Bylaws, the board of directors of the Trust shall have the full and sole responsibility for the disbursement of all moneys of the Trust in accordance with these Bylaws and the policies and guidelines as adopted by the board of directors.

Prior to the consideration, by the board of the Trust, of any disbursement, each member of the board of directors of the Trust shall disclose and explain any personal and/or business interest, connection, kinship or other association he or she has with the group, corporation or other entity under consideration for funding by the Trust.

Such director shall, if requested by the president or any three (3) members of the board of directors of the Trust, excuse himself or herself from the meeting and not participate in the discussion of or voting on the disbursement.

If no request is made that the interested director excuse himself or herself from the meeting, then and in that event, said director may participate in the discussion of the disbursement but shall not vote on that particular disbursement.

#### **Article XVI. Accumulation of funds**

North Itasca Electric Cooperative shall transfer Operation Round Up<sup>®</sup> funds collected by it for the benefit of the Trust on a regular basis, but at least quarterly. Any other contributions and funds shall be transferred to the Trust on a regular basis, but at least annually. The Trust may also solicit and accept contributions from other sources as deemed appropriate by its board of directors.

#### **Article XVII. Investment of funds**

The board of directors of the Trust shall be responsible for the funds entrusted to it and shall make such investment of said funds in a manner which is reasonable and prudent and in keeping with the intent of these Bylaws.

#### **Article XVIII. Amendment of Bylaws**

These Bylaws may be altered, amended, or repealed by the board of directors of the Trust at any regular meeting of said board after at least ten (10) days' written notice of such meeting and of such proposed change in the Bylaws has been given to the board of directors of the Trust and to the board of directors of North Itasca Electric Cooperative.

### **Article XIX. Accounting system and reports**

The board of directors of the Trust shall cause to be established and maintained a complete accounting system that is in keeping with sound financial management. Furthermore, the board of directors of the Trust shall make reports to the board of directors of North Itasca Electric Cooperative on the operation and expenditures of the Trust as may be necessary and prudent, but at least annually or as otherwise directed by the Board of Directors of North Itasca Electric Cooperative.

### **Article XX. Political contributions**

No funds of the Trust shall in any fashion be used to support any candidate for political office or for any political purposes.

### **Article XXI. Borrowing funds**

The Trust shall not have authority to borrow monies from any bank, savings and loan or other institution for any purpose.

### **Article XXII. Amount of expenditures**

Unless otherwise provided by these Bylaws and in keeping with the purpose of this Trust, the board of directors of the Trust may make annual expenditures of Trust funds by majority vote of directors present at a meeting and constituting a quorum according to the following rules:

1. Not more than five thousand and no/100ths (\$5,000) annually to any single applicant

### **Article XXIII. Expenditures exceeding five thousand and no/100ths (\$5,000)**

Notwithstanding any other provision of these Bylaws the board of directors of the Trust may, by two-thirds (2/3) vote of the entire board of directors of the Trust, make expenditures in any amount to any group, organization or charity which such directors determine is in keeping with the purpose and spirit of the Trust and these Bylaws.

### **Article XXIV. Retention of funds**

The board of directors of the Trust may in its discretion retain a reasonable reserve fund but shall otherwise generally allocate and expend any and all moneys within one year of receipt.

### **Article XXV. Proxy voting**

There shall not exist proxy voting at any meeting of the board of directors of the Trust.

**Article XXVI. Audit**

The board of directors of the Trust shall cause the books and records of the Trust to be audited using agreed upon procedures on an annual basis by a certified public accountant and a report in keeping with sound accounting principles shall be issued to the board of directors of the Trust and the board of directors of North Itasca Electric Cooperative.

**Article XVII. Fiscal year**

The fiscal year of the Trust shall commence on the 1<sup>st</sup> day of January of each calendar year and end on the 31<sup>st</sup> day of December of each calendar year.

Dated: \_\_\_\_\_, 2004

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Secretary