

**BY-LAWS
OF CVEC FOUNDATION, INC.**

**ARTICLE I
NAME OF ORGANIZATION**

The name of the corporation shall be
CVEC Foundation, Inc.
Herein below referred to as

“FOUNDATION”

**ARTICLE II
PURPOSE OF ORGANIZATION**

The purpose of the FOUNDATION shall be the accumulation and disbursement of funds for charitable purposes in the service area of Canadian Valley Electric Cooperative, Inc. (CVEC). Upon dissolution of the FOUNDATION, any remaining funds shall be distributed only for charitable purposes, as authorized and required by applicable law.

ARTICLE III

FUNDING

The FOUNDATION shall be funded by revenues generated from such rules and regulations as may be lawfully promulgated by the Board of Trustees of Canadian Valley Electric Cooperative, Inc. and from any other source of funds available to the said FOUNDATION.

ARTICLE IV

BOARD OF DIRECTORS

A Board of Directors, representing each CVEC Board district shall administer the FOUNDATION. The initial Board of Directors shall be composed of eight (8) persons.

It is intended that the terms of one-third of Board membership shall expire each year. At the initial organization meeting of the Board of Directors, the members of the Board shall by lot draw for terms of office of one (1), two (2), and three (3) years. Thereafter, the terms of office for each Board member shall be for a period of three (3) years.

ARTICLE V

QUALIFICATIONS OF BOARD MEMBERSHIP

A Board member of the FOUNDATION shall be at least twenty-one (21) years of age, a permanent resident of the CVEC district from which he/she is initially chosen and of good moral character. Members of the Board of Directors of the FOUNDATION need not be members of Canadian Valley Electric Cooperative,

Inc. No person seeking or holding a seat on the Board of Trustees of Canadian Valley Electric Cooperative, Inc. shall remain or become a member of the FOUNDATION Board.

ARTICLE VI

SELECTION OF BOARD OF DIRECTORS

The Board of Trustees of Canadian Valley Electric Cooperative, Inc shall designate the initial Board of Directors. Thereafter, when vacancies are to be filled or when terms expire, persons shall be named to their respective vacancies on the said Board of Directors by a vote of the Board of Trustees of Canadian Valley Electric Cooperative, Inc. The existing Board of Directors of the FOUNDATION may make recommendations to the Board of Trustees of Canadian Valley Electric Cooperative, Inc. for nominees for the FOUNDATION Board.

ARTICLE VII

COMPENSATION FOR DIRECTORS

No director shall receive compensation for serving on the Board of Directors of the FOUNDATION. Such Board members may, however, be reimbursed for mileage incurred while on the business of the FOUNDATION when such business is sanctioned by the Board of Directors of said FOUNDATION.

ARTICLE VIII

MEETING OF THE BOARD OF DIRECTORS

REGULAR MEETING: The Board of Directors of the FOUNDATION shall meet no less than quarterly at a place designated by the Board. The Board of Directors may meet at such times as they may deem at their discretion to be necessary.

SPECIAL MEETINGS: Special meetings or cancellation of a scheduled meeting of the Board of Directors may be called or canceled by the President or by any three (3) Directors and it shall thereupon be the duty of the Secretary to cause a Notice of such meeting to be given as hereafter provided. The President or Directors calling such meeting shall fix the time and place.

NOTICE OF DIRECTORS MEETINGS: 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, and upon default in that duty by the Secretary, then by the President or the Directors calling for such meeting.

ARTICLE IX

QUORUM

A majority of the Board of Directors shall, unless otherwise designated in these Bylaws, 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 shall notify the absent members of the place and time of the next meeting. An act of a majority of the members of the Board of Directors present at any meeting at which a quorum is present, unless otherwise provided in these By-Laws, shall be the act of the Board of Directors of the

FOUNDATION.

ARTICLE X

REMOVAL OF MEMBER OF BOARD

Any member of the Board of Directors of the FOUNDATION 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 by-laws. Any members of the Board of Directors of the FOUNDATION may otherwise be removed for cause from the Board by a two-thirds (2/3) vote of the entire Board of Directors of the FOUNDATION.

ARTICLE XI

OFFICERS OF THE CORPORATION

The officers of the FOUNDATION shall be a President, a Vice-President, a Secretary and a Treasurer, and such other officers as may be determined by the Board from time to time. For the purpose of these By-laws, the President, Vice-President, Secretary and Treasurer shall constitute the Executive Committee of the FOUNDATION.

ARTICLE XII

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.

Ex-Officio members:

Secretary-Micha Baker

Bookkeeper-David Lyon

Public Relations-Bob Weaver

The terms of office shall be for one (1) year, however, nothing shall prevent an officer from being re-elected to consecutive terms of office.

ARTICLE XIII

EX OFFICIO MEMBERS OF BOARD OF DIRECTORS

The Board of Trustees of Canadian Valley Electric Cooperative, Inc. may appoint an ex-officio member of the Board of Directors of the FOUNDATION. The FOUNDATION may from time to time have other such ex-officio members as the Board of Directors may in its discretion determine as necessary or prudent. No ex-officio member of the Board shall be entitled to vote on matters coming before the Board.

ARTICLE XIV

POLICIES, RULES, AND REGULATIONS

The Board of Directors of the FOUNDATION shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these by-laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the FOUNDATION.

ARTICLE XV

DUTIES OF OFFICERS

PRESIDENT: The President shall be the principal executive officer of the FOUNDATION 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.

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 the President. The Vice-President shall also perform such other duties as from time to time may be assigned by the Board of Directors.

SECRETARY: The Secretary shall be responsible for the keeping of the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; be responsible for seeing that all notices are duly given in accordance with these by-laws or as required by Law; be custodian of the corporate records and of the seal of the FOUNDATION and affix the seal of the FOUNDATION to all necessary documents, the execution of which on behalf of the FOUNDATION under its seal is duly authorized in accordance with the provision of these by-laws; have general charge of the books of the FOUNDATION; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and by-laws of the FOUNDATION containing all amendments thereto; and, in general, perform all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned by the Board of Directors.

TREASURER: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the FOUNDATION; be responsible for the receipt of and the issuance of receipts for monies due and payable to the FOUNDATION from any source whatsoever, and for the deposit of all said monies in the name of the FOUNDATION in such bank or banks as shall be selected in accordance with the provisions of these by-laws; and in general perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

EX-OFFICIO MEMBERS: To assist with the duties of the Foundation Officers, the ex-officio members shall perform duties as may be directed by the Board of the Foundation with approval of the Board of Trustees.

ARTICLE XVI

CHECK SIGNING

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

ARTICLE XVII

DISBURSEMENT OF FUNDS

Except as otherwise provided by these by-laws, the Board of Directors of the FOUNDATION shall have the full and sole responsibility for the disbursement of all monies of the FOUNDATION in accordance with these by-laws and the policies as adopted by the Board of Directors.

Prior to the consideration, by the Board of Directors of the FOUNDATION, of any disbursement, member(s) of the Board of Directors of the FOUNDATION shall disclose and explain any personal and/or business interest, connection, kinship, or other association he or she has with the person, family, group, corporation or other entity under consideration for funding by the FOUNDATION.

Such member shall, if requested by the President or any three (3) members of the Board of Directors of the FOUNDATION, 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 trustee excuse himself or herself from the meeting, then and in that event, said trustee may participate in the discussion of the disbursement but shall not vote on the disbursement.

ARTICLE XVIII

ACCUMULATION OF FUNDS

Canadian Valley Electric Cooperative, Inc. may transfer funds collected by it for the benefit of the FOUNDATION, but in no event less often than annually. The FOUNDATION may also solicit and accept contributions from other sources as deemed appropriate by its Board of Directors.

ARTICLE XIX

INVESTMENT OF FUNDS

The Board of Directors of the FOUNDATION 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 these by-laws and the policies of the FOUNDATION.

Investment of funds may include but not be limited to Certificate of Deposits, Commercial Paper Investments, and Bank Accounts.

ARTICLE XX

AMENDMENT OF BY-LAWS

These by-laws may be altered, amended, or repealed by affirmative votes of two-third (2/3) of both the Board of Trustees of Canadian Valley Electric Cooperative, Inc. and of the Board of Directors of the FOUNDATION, at any regular meetings of the said Boards after at least ten (10) days notice. The Board of Directors of the FOUNDATION may make advisory recommendations to the Board of Trustees of Canadian Valley Electric Cooperative, Inc.

ARTICLE XXI

ACCOUNTING SYSTEM AND REPORTS

The Board of Directors of the FOUNDATION shall cause to be established and maintained a complete accounting system such that is in keeping with sound financial management and further, a committee authorized by the Board of Directors of the FOUNDATION shall make reports to the Board of Trustees of Canadian Valley Electric Cooperative, Inc. at the November Board of Trustees Regular Meeting on the operation and expenditures of the FOUNDATION as may be necessary and prudent, but in no case less often than annually.

ARTICLE XXII

POLITICAL CONTRIBUTIONS

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

ARTICLE XXIII

BORROWING FUNDS

The FOUNDATION shall NOT have the authority to borrow monies from any bank, savings and loan or other institutions for any purpose, without the express prior approval of a majority of both the Board of Directors of the FOUNDATION, and, also, the Board of Trustees of Canadian Valley Electric Cooperative, Inc.

ARTICLE XXIV

EMERGENCY EXPENDITURE

The Executive Committee of the Foundation will be comprised of at least 3 of the 4 elected Officers of the Foundation. This Executive Committee may from time to time vote to make expenditures on an emergency basis when called by the President. This vote will be in accordance with these by-laws; and policies adopted by the Board of Directors of the FOUNDATION; and in accordance with the purpose of this FOUNDATION, in an amount not exceeding ONE THOUSAND AND NO/100THS (\$1,000.00) DOLLARS, to any person, family, group or organization.

Such emergency expenditure shall be fully disclosed by the Executive Committee at the next regularly called meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXV

AMOUNT OF EXPENDITURES

UNLESS otherwise provided by these by-laws and in keeping with the purpose of this FOUNDATION the Board of Directors of the FOUNDATION may make annual expenditures of FOUNDATION funds by majority vote of members present at a meeting and constituting a quorum according to the following rules;

- a) Not more than TWO THOUSAND FIVE HUNDRED AND NO/100THS (\$2,500.00) DOLLARS, annually to any individual or family unit.
- b) Not more than TEN THOUSAND AND NO/100THS (\$10,000.00) DOLLARS, annually to any group, organization, charity or like organization.

ARTICLE XXVI

EXPENDITURES EXCEEDING TEN THOUSAND AND NO/100THS (\$10,000.00) DOLLARS

Notwithstanding any other provision of these by-laws, the Board of Directors of the FOUNDATION may, by a two-thirds (2/3) vote of the entire Board of Directors, make expenditures in any amount to any person(s); family unit, group, organization, charity or like organization which such members determine is in keeping with the purpose and spirit of the FOUNDATION and these by-laws.

ARTICLE XXVII

RETENTION OF FUNDS

Until such time as there exists a sum of money, including earned interest, in an amount of not less than ONE HUNDRED THOUSAND AND NO/100THS (\$100,000.00) DOLLARS within the FOUNDATION, no expenditures exceeding ninety-five (95%) percent of the annual contributions, from whatever source derived, may be disbursed or otherwise disposed of for any purpose. Thereafter the Board of Directors of the FOUNDATION may in its discretion and in accordance with other dictates imposed by these by-laws expend any and all monies savings and excepting five percent (5%) of the previous years total contributions or FIVE THOUSAND AND NO/100THS (\$5,000.00) DOLLARS, whichever is less.

ARTICLE XXVIII

PROXY VOTING

There shall not exist proxy voting at any meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXIX

AUDIT

The Board of Directors of the FOUNDATION shall on an annual basis cause the books and records of the FOUNDATION to be audited by a certified public accountant and a report in keeping with sound accounting principles shall be issued to the Board of Directors of the FOUNDATION and the Board of Trustees of Canadian Valley Electric Cooperative, Inc.

ARTICLE XXX

FISCAL YEAR

The Fiscal Year of the FOUNDATION shall commence on the 1st day of January of each calendar year and end on the last day of December of each calendar year.

ADOPTED: _____

CVEC PRESIDENT

ADOPTED AND APPROVED AT ORGANIZATIONAL MEETING OF CVEC FOUNDATION

DATED: _____

CVEC FOUNDATION PRESIDENT



**CVEC Foundation, Inc.
C/O Canadian Valley Electric Cooperative
P.O. Box 751
Seminole, OK 74818-0751**

**AMENDMENT
TO
ARTICLE XXV
FOR
CVEC FOUNDATION, INC.
Effective Date of the Amendment: January 1, 2019**

Article XXV be and is hereby amended to read as follows:

ARTICLE XXV

AMOUNT OF EXPENDITURES

UNLESS otherwise provided by these by-laws and in keeping with the purpose of this FOUNDATION the Board of Directors of the FOUNDATION may make annual expenditures of FOUNDATION funds by majority vote of members present at a meeting and constituting a quorum according to the following rules;

- a) Not more than THREE THOUSAND AND NO/100THS (\$3,000.00) DOLLARS, annually to any individual or family unit.

- b) Not more than TEN THOUSAND AND NO/100THS (\$10,000.00) DOLLARS, annually to any group, organization, charity or like organization.