December 7th, 2023

Dear MCOC Members,

The following is a revised set of the organization's by-laws. The MCOC Board has been coordinating strategic development activities and, in doing so determined the need to modernize the organization's by-laws and develop a set of procedures and policies that would allow for management of the organization to run more smoothly. Because of this, a few items in the by-laws have been moved over to procedures and policies for the Board.

The changes to the by-laws currently do not reflect any significant changes within the organization. However, it should be noted that the Board will continue to review the membership levels and benefits to provide an updated membership strategy by the 2025 Annual Meeting. These updates and changes are with the organization's health in mind. As the Board entered into a strategic session, it became clear that MCOC has had very few changes in structure since its conception 64 years ago. There are not only outdated practices but also areas that are potentially stunting the organization's ability to respond to the current needs of the Montana Cooperative Community.

Please review the attached revisions proposed by the Board. The by-laws will be a point of discussion for membership on January 30th at 8:00 am during the Annual business meeting. The attached is structured for ease of the reviewer. The tracked changes are attached, and the comments to the left outline all changes' purposes.

If you should have questions before the January 30th meeting, don't hesitate to get in touch with me directly. My email is tracy@mcdc.coop or the office phone is 406-727-1514.

Thank you, and see you in January!

Tracy McIntyre

MCOC Administrator

**BY-LAWS OF**

**MONTANA COUNCIL OF COOPERATIVES**

**As Amended January 16th, 2020**

**ARTICLE I: MEMBERSHIP**

Section 1: Membership Classes.

The membership shall be divided into three classes as follows:

1. **Regular memberships** shall be cooperatives operating in Montana regardless of industry.
2. **Sponsoring members** shall be organizations, cooperatives, or cooperative associations that operate on a state-wide basis composed of organizations that qualify for regular membership.
3. **Associate members** shall be individuals, firms, associations, corporations, clubs, groups, and organizations interested in promoting cooperatives and not qualified for regular or sponsoring membership. Associate members shall have the right to attend all meetings and participate in all discussions but shall have no right to vote in meetings of this council as laid out in Section 3.

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Section 2: Due Structure and Adjustments

The Board of Directors shall have the authority to make adjustments in the membership structures of the Council upon approval of current membership at the next Annual Meeting.

Dues for each class shall be set by the Board of Directors and adjusted as needed annually by the Board of Directors. Such adjustments, if any, shall not exceed 5% in any one year.

The maximum amount for annual dues may be adjusted by the Board of Directors at any given time to correlate with any adjustments made.

Section 3: Voting and Property Rights.

Regular and sponsoring members shall have one vote per membership and their property rights in this council shall be equal. No proxies shall be recognized.

Regular and sponsoring members shall vote **by** an officer or representative designated by the Board of Directors or Trustees of such member.

Associate members do not vote, nor shall they have any rights to the property of the Council.

Section 4. Application for and certificates of membership.

Each prospective member shall make an application for membership on forms, prescribed by the Board of Directors. A certificate of membership shall be issued to each applicant approved by the Board of Directors.

Section 5. Forfeiture of Membership.

Forfeit of membership shall occur if and when any member:

1. ceases to be eligible for membership in this council or
2. has outstanding dues for *six* (6) months or
3. breaches any other contract with this council, or
4. intentionally or repeatedly violates any By-Laws of this council; or
5. willfully obstructs any lawful purpose or activity of this council; or
6. makes a request to the Board of Directors to terminate its membership,

then in any such event, the Board of Directors, in its discretion, may declare the membership of such member forfeited. Such former member shall have no right, title, or interest whatever in or to any property or activity of this corporation.

**ARTICLE II: MEETINGS OF MEMBERS**

Section 1. Annual Meeting of the Members.

An annual meeting of members shall be held *in* each calendar year at a time and place designated by the Board of Directors.

Section 2. Special Meetings of the Members.

Special meetings shall be called by a majority vote of the Board of Directors or by petition signed by at least 20% of the sponsoring and regular members.

Section 3. Notice of Meetings.

Notice of meetings, both annual and special, shall specify the time and place of the meeting, and shall be mailed to each member at its known post office address not less than 10 days prior to the date of the meeting.

Section 4. Quorum.

A quorum necessary to the transaction of business at any annual or special meeting shall be at least twenty percent (20%) of the total number of voting members in the council when the members do not exceed one hundred (100) in number, but if the members exceed one hundred (100) in number, then twenty (20) members shall constitute a quorum.

Section 5. Decisions.

Any questions or election shall be determined by a

majority of the voting members present at the meeting, provided there is a quorum.

Section 6. Voting.

Voting members must be present to cast their vote. Present may include remote access through electronic means of video conferencing and/or conference call.

**ARTICTLE III: DISTRICTS**

Section 1: Districts.

The Council shall be divided into the following districts:

1. DISTRICT ONE: Missoula District Composed of the following counties:

Lincoln, Flathead, Sanders, Lake, Mineral, Missoula, Powell Granite, Ravalli, and Deer Lodge

1. DISTRICT TWO: Bozeman District Composed of the following counties:

Silver Bow, Jefferson, Beaverhead, Madison, Broadwater, Meagher, Park, Gallatin, and Sweetgrass

1. DISTRICT THREE: Billings district Composed of the following counties:

Golden Valley, Still Water, Carbon, Yellowstone, Musselshell, Big Horn, Treasure, Powder River, and Rosebud

1. DISTRICT FOUR: Glendive District Composed of the following counties:

Garfield, Custer, Carter, Fallon, Wibaux, Prairie, Dawson, McCone, and Richland

1. DISTRICT FIVE: Wolf Point District Composed of the following counties:

Valley, Sheridan, Daniels, and Roosevelt

1. DISTRICT SIX: Havre District Composed of the following counties:

Liberty, Hill, Blaine, Phillips, and Chouteau

1. DISTRICT SEVEN: Great Falls District Composed of the following counties:

Glacier, Toole, Pondera, Teton, Cascade, and Lewis & Clark

1. DISTRICT EIGHT: Lewistown District Composed of the following counties:

Judith Basin, Fergus, Petroleum, and Wheatland

The districts as established at the first annual meeting shall be maintained on such a basis that each will contain a nearly equal strength of membership. The geographical boundaries of such districts may be changed in any year by the Board of Directors but

any changes made must be reported to the membership and confirmed at the next annual meeting.

District meetings of the members may be called whenever the district director deems them advisable. For purposes of voting at a district meeting each member association within the district shall have one vote. At least three member associations within the district must be represented at said district meeting to constitute a quorum.

**ARTICTLE IV: BOARD OF DIRECTORS**

Section 1: Board of Directors Qualifications and Structure

From each district the nominating committee (reference Section 8 of Article IV) shall nominate at least one director who represents a regular member of the Council. Such qualified nominees shall be acted upon by the annual meeting.

The term of office for a district director shall be two years, except that at the initial meeting of the Board of Directors of the Council one-half of the district directors shall be designated by lot to serve for one year only with the successors to such director serving one year to serve for two years. If the total number of district directors is an odd number, then one less shall be designated for a one-year term than the number to serve for two years.

In addition to the said district directors, at the annual meeting the membership may elect up to seven (7) directors from sponsoring members. The term of office for a sponsor director shall be two years with options of reelection allowed.

Section 2: Number of Board of Directors.

The total membership of the Board shall at no time shall exceed fifteen (15) members.

Section 3: Quorum and Voting.

A quorum shall consist of 51% of the sitting Board of Directors at the time of the Board meeting. A majority vote of the directors’ present shall decide all questions.

Board members may cast their votes when in attendance at a meeting. This includes virtual teleconference and video conferencing into a meeting. No proxies or mail in votes will be counted.

Section 4: Vacancies.

Each vacancy occurring on the Board of Directors may be filled by the remaining directors making an appointment until the next annual meeting of the members.

Section 5: Meetings.

The Board of Directors shall meet at such times and places as it may determine or as called by the President or any three Directors.

All members of the Board of Directors shall be given a formal notice of the Board meeting within 5 business days. Electronic means of notice is allowed. Each notice must include the business that will be transacted at the meeting.

Section 6: Audits and Insurances.

The Board’s Treasurer shall oversee the compilation of the annual financial reports for review at every Annual Meeting. The Board will have a third-party review of the financials completed every two years and audits will be conducted as deemed necessary by the Board when federal regulations require it.

The organization will always carry no less than Errors and Omissions Insurance for the protection of the organization.

Section 7: Borrowing.

The Board of Directors shall have power to authorize and approve the borrowing of money, and the pledging or mortgaging, or both of any or all the assets of the Council as security for the sums so borrowed.

Section 9: Board Committees:

The Board shall have two standing committees:

1. Executive Committee: The Board shall appoint an Executive Committee of five members composed of the officers and one or two directors (depending on whether the offices of Secretary and Treasurer are combined) as the case may be.

Meetings of the Executive Committee may be held at such times and places as it may determine, or as called by the President or any two members.

A majority shall constitute a quorum, but the affirmative vote of a majority of the whole committee shall be necessary in every case. Said committee shall keep written minutes of its proceedings and shall report the same to the next meeting of the Board of Directors. Subject to the provisions of this section, the committee may fix its own rules of procedure.

1. Nominating Committee: At least 30 days before the annual meeting the President shall appoint a nominating committee that shall work with the administrative staff to inform members of any vacancies on the board and to identify and compile nominations for the Council’s Board of Directors.

Nominations must be of paid members or representatives of members from Regular and/or Sponsoring Memberships. Associated members do not serve on the Board of Directors.

Nominations will be presented at the Annual meeting of the Memberships for vote and the new Board members will immediately begin their term.

The Board may appoint standing and special committees with such duties and powers as it may determine. Any committee shall keep written minutes of its proceedings, and shall report the same to the next meeting of the Board of Directors

**ARTICLE V: BOARD OFFICERS**

Section 1: Election.

At the first meeting following the Annual Meeting of the Council, the Board of Directors shall elect officers, as herein provided, to serve at its pleasure. Officers will serve 1-year terms.

Section 2: President.

The President shall preside at all meetings of the members and of the directors, and sign all notes, conveyances and encumbrances of real estate, membership certificates and all other instruments requiring the corporate seal; provided that the President, in writing, may authorize. any other officer or employee to execute or sign the Presidents name to, any or all, such instruments.

Section 3: Vice President.

The Vice President, in the absence or disability of the President, shall perform the duties of the President.

Section 4: Secretary.

The Secretary shall keep complete minutes of each meeting of the members and of the Board of Directors, and shall sign all notes, conveyances and encumbrances of real estate, membership certificates and all other instruments requiring the corporate seal; provided that the Secretary, in writing, may authorize any other officer or employee to execute, or to sign the Secretary's name to any or all such instruments.

S/He shall keep a record of all business of the council, prepare and submit to the annual meeting of the members a report of the previous fiscal year's business, and give all notices as required by law. S/He shall perform such other duties as may be required of him by the Board of Directors. The Board of Directors may delegate, or authorize the Secretary to delegate, to any other office or employee, under the supervision of the Secretary any or all of the duties enumerated in this Section.

Section 5: Treasurer.

The Treasurer shall supervise the safekeeping of all funds and property of the council, supervise the books and records of all financial transactions of the council and perform such other duties as that be required of him by the Board of Directors. The Board of Directors may delegate or authorize the Treasurer to delegate to any other officer or employee, under the supervision of the Treasurer, any or all of the duties enumerated in the section.

Section 6. Duties and Powers.

The Board of Directors may confer duties and powers upon any officer *in* addition to those enumerated.

The Board of Directors have the authority to combine the position of secretary and treasurer.

**ARTICLE VI: FISCAL YEAR**

Section 1: Fiscal Year.

The fiscal year of this corporation shall commence on the first day of January in each year and shall end December 31 of each year.

**ARTICLE VII: AMENDMENTS**

Section 1: Amendments.

These by-laws may be altered, amended, or replaced at any annual or special meetings of the members by a majority vote of the members present at an y such meeting.

These by-laws may likewise be altered, amended, or repealed at any regular or special meetings of the Board; provided· that any amendments made by the Board of Directors, shall be presented and adopted at the next annual meeting.

Amended on November 14th, 2023, by the Board of Directors.

Adopted by the Majority of Members on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of January 2024.

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Signed by President of Board Date

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Printed Name of President of Board

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary of Board Date

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Printed Name of Secretary of Board