

MEMBER SERVICES AGREEMENT

SECTION 1 PREAMBLE

This Member Services Agreement ("Agreement") is entered into by and among Barnstable County (the "County"), the Town of Barnstable (the "Town"), the Cape Light Compact (the "Compact") and the Cape & Vineyard Electric Cooperative, Inc. ("Cooperative"). The County, the Town and the Compact comprise the initial members of the Cooperative and are referred to collectively in this Agreement as the "Members." Within this document, the Members and the Cooperative are sometimes referred to individually as a "Party" and collectively as the "Parties."

The purpose of this Agreement is to allow the Members to provide the Cooperative with certain administrative and financial services under the terms specified below.

SECTION 2. INTERPRETATION

This Agreement is not intended to expand upon or alter any authority that any of the Parties have under, among other things, its organizational instruments, charter, intergovernmental agreement or under Massachusetts law. This Agreement shall be interpreted to be in accordance with the foregoing and other relevant provisions of the Massachusetts General Laws. If any terms of this Agreement shall be deemed in conflict with the foregoing, or any provisions of the General Laws of Massachusetts, this Agreement shall yield.

If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances, other than those to which it is held invalid, shall not be affected.

SECTION 3. TERM OF AGREEMENT AND TERMINATION

This Agreement shall be effective as of the date that the last of the Parties signs below, or the date of the Cooperative's incorporation, whichever is later. This Agreement shall continue in effect full force and effect until for two years unless sooner terminated by agreement of all Parties. The services provided under this Agreement shall be subject to annual appropriation and therefore this Agreement is subject to early termination if there is a failure to appropriate adequate funding.

SECTION 4. INITIAL FUNDING OF COOPERATIVE

The Compact shall provide the Cooperative up to \$500,000 with an initial cash transfer of \$100,000 to cover its formation and initial operating and transactional costs (the "Compact Funds"). The Cooperative shall provide a full accounting of all expenses to all Members.

SECTION 5. MANAGEMENT OF COOPERATIVE FUNDS

A. The Parties agree that the County shall set up a Cooperative bank account and the County shall act as fiscal administrator of any funds which may be due or owing to the members of the Cooperative through the Cooperative (whether in the nature of payment, grants, financial contributions, or otherwise), provided, however, that the County shall segregate those funds from all other funds that it controls or maintains and shall hold those funds solely for the benefit of the Cooperative. The County shall set up and maintain such accounts as may be necessary to properly segregate and account for any such funds received. For these purposes, the County shall act only as fiscal administrator for the Cooperative, and shall not gain any right or title to such funds. The costs or fees associated with said accounts, if any, shall be deducted from account funds.

B. The Parties agree that the County may draw upon or otherwise expend any of the funds which it has received pursuant to the provisions of the preceding paragraph to make payments on bills, debts and obligations of the Cooperative, provided that the Cooperative has duly authorized payment of such bills consistent with the bylaws, debts or obligations in accordance with this Agreement and that sufficient funds are available. The County agrees for the term of this Agreement to provide these administrative services for the sum of \$1.00 per annum. All Parties agree that notwithstanding the foregoing, the County shall not be required to provide County funding to cover any shortfall of funds in Cooperative accounts were such to occur.

C. The County shall provide the Cooperative with reports on the Cooperative's financial status under this Section on a periodic basis, and as reasonably requested by the Cooperative. All books and records of the County relating to the activities of the Cooperative under this Agreement shall be available to the Cooperative and the Members for inspection. The County shall engage the services of a qualified auditor to review the financial records of the Cooperative. The County shall be reimbursed by the Cooperative for the cost of the audit.

SECTION 6. SERVICES TO BE PROVIDED BY THE COUNTY

A. The Parties agree to the following process for the procurement of goods and services related to the Cooperative.

1. The County will provide administrative services necessary for procuring goods and services on behalf of the Cooperative. The County, in its sole discretion, may designate one or more of its employees to serve as staff for the Cooperative and to provide the services set forth in this Agreement. The Parties agree that the purchase of goods and services for the Cooperative shall comply with the County's procurement process. The purchase of goods and services on behalf of the Cooperative with a value of \$1,000.00 or less shall be at the discretion of the County. The purchase of goods and services on behalf of the Cooperative with a value greater than \$1,000.00 shall require the authorization of two of the Cooperative's officers or such other persons as may be designated by the Cooperative's Board of Directors (the "Cooperative Reps").

2. After being so directed by the Cooperative, the County shall prepare solicitation of quotes, Requests for Proposals ("RFP") or Invitations for Bids ("IFB") for goods and services on behalf of the Cooperative, or use alternate procurement processes consistent with applicable law.
3. Other administrative services, such as state corporate filings, tax filings, and grant administration may be performed, or contracted for, by the County, upon mutual approval of the County and Cooperative.

B. Nothing in this Section shall be interpreted to limit the ability of the Cooperative or any of its members to sign contracts in their own names.

C. Nothing in this Agreement shall be interpreted to limit the fiduciary responsibility and authority of the County Treasurer under Massachusetts General Laws, or local laws and ordinances.

SECTION 7. OTHER MEMBER SERVICES

Each Member agrees to use its best efforts to ensure that any of its employees performing services for the Cooperative are covered by such Member's directors and officers insurance, workers' compensation insurance, and other applicable insurance policies.

SECTION 8. RESPONSIBILITIES OF THE COOPERATIVE

A. The Cooperative Reps shall review in a timely manner all purchase requisitions on behalf of the Cooperative with a value greater than \$1,000.00.

B. The Cooperative authorizes the County to prepare solicitation of quotes or RFP or IFB for goods and services. The Cooperative agrees as part of this process to appoint a review or advisory committee where appropriate. The Cooperative shall approve all specifications for RFP and IFB documents.

C. Prior to submission of the County for payment, the Cooperative Reps shall approve all vendor invoices with a value greater than \$1,000.00.

SECTION 9. KEY STAFF AND NOTICES

The following representatives of each Party shall manage, administer and implement its respective rights and responsibilities under this Agreement:

Town:

Charles S. McLaughlin, Jr.

Assistant Town Attorney

367 Main Street

Hyannis, MA 02601

charles.mclaughlin@town.barnstable.ma.us

(508) 862-4620

County:

Mark Zielinski

County Administrator

PO Box 427/SCH

Barnstable, MA 02630

emz@cape.com

(508) 375-6636

Compact:

Margaret Downey

Compact Administrator

PO Box 427/SCH

Barnstable, MA 02630

mags@cape.com

(508) 375-6636

Cooperative:

Charles S. McLaughlin

President

367 Main Street

Hyannis, MA 02601

charles.mclaughlin@town.barnstable.ma.us

(508) 862-4620

All notices and other communications required by this Agreement or which are necessary in carrying out the terms of this Agreement shall be sent to the Parties' representatives at their addresses set forth above. Any Party may specify a different address by sending notice as provided in this Section.

SECTION 10. MISCELLANEOUS

A. This Agreement shall be deemed the collective work-product of the Parties hereto, and shall not be construed against any Party by reason thereof.

B. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. This Agreement is not intended to supersede the Memorandum of Understanding among the Members dated February 14, 2007 (the "MOU"). The MOU and this Agreement are intended to be construed harmoniously; to the extent that there are any conflicts, this Agreement shall prevail.

C. This Agreement may only be amended or modified by a written instrument signed by all Parties hereto.


D. Unless all Parties otherwise agree, the provisions in Section 4 regarding reimbursement of the Compact shall survive termination of this Agreement.

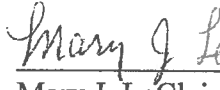
E. From time to time and at any time at and after the execution of this Agreement,

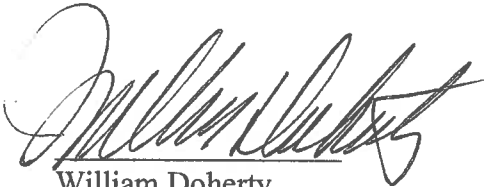
each Party shall execute, acknowledge and deliver contracts, deeds, assignments, conveyances, other instruments and assurances, reasonably requested by the other and shall take any other action consistent with the terms of this Agreement that may be reasonably requested by any Party for the purpose of effecting or confirming any of the activities, purposes or transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the last date set forth below.

By, Barnstable County Commissioners:

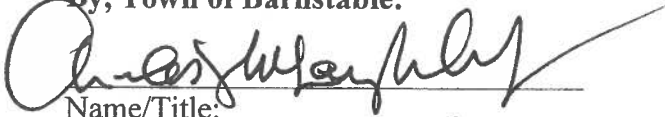

Lance Lambros, Chairman


Mary J. LeClair


William Doherty

Signed this 8th day of August, 2007

By, Town of Barnstable:


Name/Title:


Signed this 6th day of September, 2007

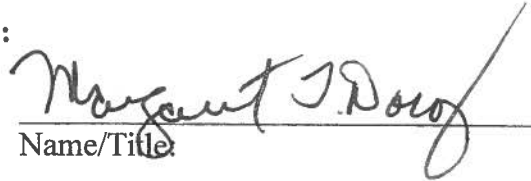
By, Cape Light Compact:


Name/Title: Robert P. Mahoney, Chairman

Signed this eighth day of August, 2007

By, Cape & Vineyard Electric Cooperative, Inc.:


Name/Title:


Name/Title: Margaret J. Dow

Name/Title:
Signed this 8th day of August, 2007

