

**AMENDED AND RESTATED BYLAWS  
OF  
COOPERATIVE LIGHT & POWER**

**ARTICLE 1  
GENERAL**

Section 1.1. Adoption. These Amended and Restated Bylaws of Cooperative Light & Power (the “Cooperative”) shall constitute the Bylaws of the Cooperative as of April 12, 2025 (the “Bylaws”) and shall restate and replace fully any and all prior bylaws of the Cooperative.

Section 1.2. Applicable Law. These Bylaws are subject to applicable law and the Articles of Incorporation, as may be amended and/or restated, of the Cooperative (the “Articles”). If, and to the extent that, these Bylaws conflict with applicable law or the Articles, then the applicable law or Articles control.

**ARTICLE 2  
MEMBERSHIP**

Section 2.1. Requirements for Membership. Any natural person or legal entity having the capacity to enter into a legally binding contract may be a member. A natural person or legal entity that receives electric energy from the Cooperative shall automatically be deemed a “Member.”

Section 2.2. Qualifications for Membership. Each Member shall comply with the Articles, these Bylaws, and such policies applicable to Members as published by the Board of Directors, rules, and regulations as may be adopted by the Board of Directors. In addition, each person or legal entity shall provide the information and complete the procedure as required by the Cooperative to establish a membership. An individual or legal entity who does not comply with the Articles, these Bylaws, and such policies applicable to Members as published by the Board of Directors, rules, and regulations as may be adopted by the Board of Directors shall not be entitled to membership in the Cooperative.

Section 2.3. Obligations. Each Member and/or prospective Member shall:

- (a) complete and sign a membership application provided by the Cooperative;
- (b) pay the Cooperative its fixed charge for electric services availability;
- (c) comply with, and be bound by, the Articles and Bylaws of the Cooperative and any rules, and policies applicable to Members as published by the Board of Directors. The Cooperative shall provide a copy of these Articles and Bylaws as well as policies and rules applicable to members to a member upon request at the Cooperative’s principal place of business;
- (d) agree and continue to pay all debts owing to the Cooperative whenever they become due;
- (e) pay any and all outstanding debts owed to the Cooperative prior to becoming a Member;
- (f) at prices, rates, or amounts determined by the Board of Directors, pursuant to terms, conditions, time, and manner specified by the Cooperative, pay all obligations owing to the Cooperative as and when the same become due;
- (g) not hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws. Further, no more than one membership shall be allocated to any one general service meter or electrical services contract;
- (h) furnish to the Cooperative access to and execute and deliver to the Cooperative grants of easement or right-of-way over, on, and/or under such lands owned or leased, or mortgaged by the Member and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electrical service, or any other services provided by the Cooperative, to that Member or other Members or for the construction, operation, or maintenance or relocation of the Cooperative’s electric facilities. All easements and/or rights-of-ways shall run with the land and shall be binding on and shall inure to the benefit of the Cooperative and the Member’s heirs, successors, representatives, and assigns. All easements and/or rights-of-way shall be granted by a Member without compensation;

- (i) allow the Cooperative to construct, operate, relocate, reconstruct, replace, and maintain, above or below ground, Cooperative facilities, electric distribution and/or transmission line(s) or system(s) on or under the Member's property, and above or below ground upon all streets, roads, or highways abutting the Member's property;
- (j) to allow the Cooperative to read, inspect, replace, and/or maintain metering and load management control equipment;
- (k) to allow the Cooperative to inspect and make such repairs, changes, alterations, improvements from, substitutions, and additions to Cooperative facilities as the Cooperative may deem advisable;
- (l) acknowledge that all of the Cooperative's lines, facilities, and equipment remain property of the Cooperative, regardless of where located;
- (m) to give the Cooperative, by any means reasonable, necessary, and/or appropriate, rights to cut, clear, trim and/or remove any obstruction, vegetation, and/or tree that the Cooperative, its agents, or assigns, deem could impact the Cooperative's facilities or would be a danger to the Cooperative's facilities, even if such tree, obstruction, and/or vegetation is outside of an easement;
- (n) to allow the Cooperative to take any action it deems reasonable and necessary to protect the Cooperative's facilities;
- (o) comply with the National Electrical Code, all Minnesota, federal, and local laws, codes, ordinances, statutes, and regulations regulating the installation of electrical wiring and equipment, and such rules, codes, and regulations as may be adopted by the Minnesota State Board of Electricity, and upon request, the Member shall provide to the Cooperative proper evidence of compliance with permit requirements prior to connection of electric service;
- (p) to the fullest extent permitted by law, to release and indemnify, defend, and hold the Cooperative and its agents, successors, and assigns harmless from and against any and all liability of every kind and nature which may occur from the Member's or the Member's agent's defect, negligence, or improper use or maintenance of the Member's premises and all wiring and apparatus connected thereto or used thereon;
- (q) to allow the Cooperative to license, permit, or otherwise allow the joint use or occupancy of the Cooperative's lines, systems, and/or facilities by any other person or legal entity. The Cooperative may permit the attachment of wires and/or other structures to the Cooperative's facilities;
- (r) to not do any act which will interfere with or harm the Cooperative's facilities;
- (s) to allow, and the Member consents to, the Cooperative using an automatic telephone dialing or text message system, or an artificial or pre-recorded voice, to contact the Member regarding the Cooperative, the Member's Cooperative service, or the Member's use of a Cooperative service;
- (t) to pay interest and late fees as reasonably determined by the Board of Directors and as allowed by law, and all costs and expenses, including reasonable attorneys' fees, required to collect or obtain payment of amounts owed to the Cooperative;
- (u) to the fullest extent permitted by law, to indemnify, defend, and hold the Cooperative harmless from and against any and all liabilities, damages, costs, and/or expenses, including reasonable attorneys' fees and expenses incurred by the Cooperative and its agents, successors, and assigns caused by the negligence or willful misconduct of the Member or non-member occupying or using the premises owned or leased by Member, or by the unsafe or defective condition of the premises owned or leased by the Member;
- (v) be responsible for furnishing and/or locating electric and other service beyond the point of delivery, which is the meter, by the Cooperative;
- (w) make available to the Cooperative a suitable site, as determined by the Cooperative, to place its physical facilities for furnishing, maintaining, and metering of all electric service used on the Member's premises and shall permit the Cooperative's authorized employees, agents, and independent contractors to have access thereto for the purpose of meter reading, collection of billing and for inspection, maintenance, repair or disconnection of such facilities or services at all reasonable times. In no event shall the Cooperative's responsibility for furnishing electric and other service extend beyond the point of delivery, which is the meter; and
- (x) shall not harass, intimidate, disparage, defame, threaten, or injure the Cooperative, a Cooperative employee, and/or a Cooperative contractor or Cooperative agent.

Section 2.4. Joint Membership. Two or more adult persons, legal entities, or combination thereof, may apply for joint membership and, subject to their compliance with the requirements set forth in Sections 2.1, 2.2, and 2.3 of this Article, may be accepted for such membership. The term "Member" as used in these Bylaws shall be deemed to include those holding a joint membership and those Members who are legally married shall be deemed to have a joint membership unless both spouses provide written notice to the Cooperative to the contrary. Any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership shall be as follows:

- (a) the presence at a meeting of any of the joint members shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) the vote of either separately or both jointly shall constitute one joint vote. In any event, only one ballot shall be presented to each membership. The vote may not be split;
- (c) a waiver of notice signed by either or both shall constitute a joint waiver;
- (d) notice to either shall constitute a notice to both;
- (e) expulsion of either shall terminate the joint membership;
- (f) withdrawal of either shall terminate the joint membership;
- (g) any one party to a joint membership, but not more than one, may be elected or appointed as a Director, provided all parties in the joint membership meet the qualifications for becoming a board member;
- (h) if only one joint member votes on a matter, signs a consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the joint members and constitutes one vote, signature or action;
- (i) if more than one joint member votes on a matter, signs a consent, waiver, or other document; or otherwise acts, then the first vote, signature, or action received by the Cooperative binds the joint members and constitutes one vote, signature, or action of the joint members;
- (j) upon the death of any those holding a joint membership, such membership shall be held solely by the survivor(s);
- (k) joint membership shall not terminate by the result of a divorce or separation;
- (l) joint membership shall continue until such time as the Cooperative shall receive sufficient written notice of any change in status, or request to change in status, signed by all the joint members;
- (m) a joint membership may be transferred by a joint Member to a single Member, another joint membership, or to the remaining holder or holders of the joint membership upon written request of all joint Members and upon agreement to be bound by the terms and conditions of these Bylaws; and
- (n) both joint members may sign a petition and/or nomination but both joint members may not vote on a matter, sign a consent, waiver, or other document.

The Cooperative shall keep a record of the status of all memberships and any changes thereto.

Section 2.5. Purchase of Electric Energy. Except as applicable federal and state statutes and regulations may require, each Member shall, as soon as electrical services shall be available, purchase from the Cooperative all electrical services used on the premises specified in the application for membership, if applicable, and shall pay therefore at rates which shall from time to time be fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means or facilities, which shall be interconnected with the Cooperative facilities, shall not disqualify a membership.

It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by the Members as capital and each Member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors. Each Member shall also pay all amounts owed the Cooperative as and when the same shall become due and payable.

Section 2.6. Termination of Membership.

- (a) Any Member may withdraw from membership upon payment in full of all debts and liabilities of such Member and upon compliance with such uniform terms and condition as the Board of Directors may prescribe.

- (b) The Board of Directors may, by affirmative vote of not less than two-thirds of all members of the Board of Directors, expel any Member who violates any laws, rules, and/or regulations that impact the Cooperative, fails to comply with any of the provisions of the Articles, Bylaws, policies and rules applicable to Members as published by the Board of Directors, rules, or rates adopted by the Board of Directors, including non-payment policies, but only if such Member shall have been given written notice by the Cooperative that such failure makes the Member liable to expulsion and such failure shall have continued for at least thirty (30) days after such notice was given. An expelled Member may be reinstated by a majority vote of the Board of Directors or by two-thirds majority vote of the Members eligible to vote at an annual or special meeting.
- (c) Upon withdrawal, notification of death, cessation of existence or expulsion of a Member, the membership of such Member shall terminate. Termination of membership in any manner shall not release the Member, or the estate, administrator, heirs, receivers or successors, from any debts or obligations due the Cooperative.

Section 2.7. Non-Liability for Debts of the Cooperative. The private property of the Members shall be exempt from execution or other liability for the debts of the Cooperative and no Member shall be liable or responsible for any debts or liabilities of the Cooperative.

Section 2.8. Property Interest of Members Upon Dissolution. Upon dissolution of the Cooperative and after:

- (a) all debts and liabilities of the Cooperative shall have been paid and,
- (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among such Members and former Members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten calendar years preceding the date of the filing of the certification of dissolution.

Section 2.9. Member Equipment Connected to Cooperative Equipment. Except as otherwise provided by the Board of Directors, before Member Equipment (defined as any equipment, structure, facility, or any other good owned, controlled, operated, or furnished by the Member) is connected to Cooperative Equipment (defined as any equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative), the Cooperative must approve the connection in writing. Before and while Member Equipment is connected to Cooperative Equipment, the Member:

- (a) shall comply with, and shall ensure that the Member Equipment, the connection, and any act or omission regarding the Member Equipment and the connection comply with these Bylaws and all terms, conditions, requirements, and procedures required by the Cooperative regarding the Member Equipment and connection;
- (b) shall ensure that the Member Equipment and the connection do not adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative's distribution system;
- (c) grants the Cooperative the right to inspect the Member Equipment and the connection; and
- (d) grants the Cooperative the right to disconnect or temporarily operate Member Equipment that does not comply with all terms, conditions, requirements, and procedures required by the Cooperative or that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative's distribution system.

If Member Equipment is connected to Cooperative Equipment, then: (1) the Member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the Member Equipment; (2) the Cooperative is not liable for damage to, or for the performance of, the Member Equipment; (3) the Cooperative is not liable for damage to the Member's property; (4) the Member is responsible for knowing the concerns, risks, and issues associated with operating the Member Equipment and connecting the Member Equipment to Cooperative Equipment; (5) the Member is liable for damage to, and for the nonperformance of, the Cooperative Equipment caused by the Member Equipment or the connection; and (6) the Member is liable for, and must defend and indemnify the Cooperative against, injury or death to any person and damage to any property caused by, or resulting from, the Member Equipment or the connection.

Section 2.10. Interruption of Cooperative Service; Liability Limits. The Cooperative shall provide electric service in a reasonable manner. The Cooperative, however, does not insure, guarantee, or warrant that it will provide adequate,

continuous, or non-fluctuating electric energy. The Cooperative shall not be responsible for acts of public enemies, war, strikes, or other labor disturbances, fires, pandemics, epidemics, floods, acts of God, or any causes of like or different kind beyond the reasonable control of the Cooperative. The Cooperative is not liable for damages, costs, or expenses, including attorneys' fees or legal expenses, caused by the Cooperative's electric service, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct. The Cooperative's responsibility and liability for providing electric service terminates at the point of delivery, which is the meter, of the electric service to the Member. To the fullest extent allowed by law, under no circumstances shall the Cooperative be liable for any indirect, special, exemplary, punitive, or consequential damages arising out of the Cooperative's electric service, even if the Member has been informed of the possibility of any such damages in advance.

### **ARTICLE 3 MEETING OF MEMBERS**

Section 3.1. Annual Meeting. The Annual Meeting of the Members shall be held at such time, place, and hour, and in such manner, method and location (whether in-person, virtual, teleconference or through a different format) in each year as may be determined by the Board of Directors, which shall be designated in the notice of the meeting for purpose of electing Directors, passing upon reports covering the previous year and transacting such other business as may come before the annual meeting. If the election of Directors shall not be held on the day designated for the Annual Meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as may conveniently be held. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 3.2. Notice of Annual Meeting. The notice of the Annual Meeting shall be given by:

- (a) mailing the notice to each Member personally at the Member's last known post office address which for a Member cooperative means notice mailed to the secretary of the cooperative; or
- (b) publication in a legal newspaper published in the county of the principal place of business of the Cooperative; or
- (c) publication in a magazine, periodical, or other publication of the Cooperative that is regularly published by or on behalf of the Cooperative and circulated generally among the Members.

The notice of the Annual Meeting must be published at least two (2) weeks before the date of the meeting or election or mailed at least fifteen (15) days before the date of the meeting. Upon the mailing of the notice of the Annual Meeting, the Secretary of the Cooperative shall execute a certificate setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within the time and manner herein prescribed. Said certified shall be made part of the record of the meeting. Alternatively, if permitted and as allowed by law, notice may be given to a Member electronically.

Section 3.3. Special Meetings. Special meeting of Members may be called by a majority of the Board of Directors, or upon written petition signed by at least twenty percent (20%) of the Members and it shall thereupon be the duty of the Secretary of the Cooperative to cause notice of such a meeting to be given. Special meetings may be held at the principal place of business of the Cooperative or at another conveniently located place as determined by the Board of Directors and specified in the notice of the special meeting.

Section 3.4. Notice of Special Meeting. Notice of the date, hour, manner, method, and location (whether in-person, virtual, teleconference, or through a different format) of a special meeting may be given by:

- (a) mailing the notice to each Member personally at the Member's last known post office address which for a Member cooperative means notice mailed to the secretary of the cooperative; or
- (b) publication in a legal newspaper published in the county of the principal place of business of the Cooperative; or
- (c) publication in a magazine, periodical, or other publication of the Cooperative that is regularly published by or on behalf of the Cooperative and circulated generally among the Members.

The special Members' meeting notice shall state the date, hour, manner, method, and location (whether in-person, virtual, teleconference, or through a different format), and purpose of the special Members' meeting, and shall be issued within ten (10) days from and after the presentation of the Member's petition. The special Members' meeting must be held thirty (30) days after the date of the presentation of the Members' petition. Upon mailing of the notice of the special Members' meeting, the Secretary of the Cooperative shall execute a certificate setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within time and in the manner herein prescribed. Said certificate shall be made a part of the record of the meeting. Alternatively, if permitted and allowed by law, notice may be given to a Member electronically.

Section 3.5. Failure to Receive Notice. A Member's failure to receive notice of an annual or special meeting shall not invalidate any actions taken at such an annual or special meeting.

Section 3.6. Quorum. At least twenty percent (20%) of the total number of memberships of this Cooperative, present in person, represented by mail ballot, or electronic vote/ballot, shall constitute a quorum for the transaction of business at all meetings of the Members so long as the total number of memberships does not exceed two hundred (200). In case the total number of memberships of this Cooperative exceeds two hundred (200), then and in such cases, not less than fifty (50) memberships, present in person, represented by mail ballot, or electronic vote/ballot, shall constitute a quorum for the transaction of business at all meetings of the Members. If less than a quorum is represented at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice; provided a new notice is submitted by mail, publication, and/or electronically, as permitted by law, to each member specifying the time and place of the adjourned meeting. The presence of a sufficient number of Members to constitute a quorum at any Member meeting shall be verified by the Chair and Secretary and shall be reported in the minutes of such meeting.

Section 3.7. Who May Vote. Each membership shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the Members.

Any Member, which is a legal business entity, may be required to furnish appropriate evidence of the authority of its representative to vote on its behalf. Such authority shall be furnished to the Secretary of the Cooperative before such representative votes at any such meeting. A representative or officer may also vote as an individual, if a Member. Except as described above, no voting by proxy will be allowed.

Section 3.8. Voting. Each Member may vote on changes to the Articles and Bylaws, for directors, and for all other matters in person at the annual or special meeting, as applicable, and as set forth herein.

- (a) Voting by Mail. Any Member may vote by mail on the ballot herein prescribed upon any election, motion, resolution, or amendment to be acted upon at such meeting. The ballot shall be in the form prescribed by the Board of Directors and shall contain the exact text of such motion, resolution, or amendment in which such Member may indicate their affirmative or negative vote thereon, and, in the case of an election ballot, shall contain the exact name of each candidate for office and shall contain space opposite each name in which such Member may indicate their vote thereon. Such ballot envelope shall be signed by the Member or its duly authorized representative and upon receipt by the Secretary of the Board by the time on the date of the meeting specified in the notice shall be accepted and counted as the vote of the Member. The failure of such absent Member to receive a copy of such ballot shall not invalidate any action that may be taken by the Members at any such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid.
- (b) Voting by Electronic Means. It shall be within the Board of Director's sole discretion whether to have any matter up for a vote by the Members of the Cooperative be voted on by electronic means. If the Board of Directors allows electronic voting, the ballot shall be available by electronic means in accordance with procedures authorized by the Board of Directors, including a means by which a Member may indicate an affirmative or negative vote. The ballot shall be in the form prescribed by the Board of Directors and shall contain the exact text of the proposed motion, resolution, or amendment to be acted on at the meeting and spaces opposite the text of the motion, resolution, or amendment in which the Member may indicate an

affirmative or negative vote thereon, and, in the case of an election ballot, shall contain the exact name of each candidate for office and shall contain space opposite each name in which such Member may indicate their vote thereon. The procedure shall specify the date and time by which an electronic ballot must be received by the Cooperative, or its designee, to be counted. If a properly completed and submitted ballot of a Member is received by the Cooperative, or its designee, through electronic means by the time on the date of the meeting specified in the notice, the ballot shall be accepted and counted as the vote of the Member at such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid. The failure of any Member to receive a copy of any motion, resolution, amendment, candidate slate, or a ballot by electronic means shall not invalidate any action which may be taken by the Members at any meeting.

Section 3.9. Order of Business. The order of business at the Annual Meeting of the Members shall be determined by the Board of Directors but shall include the following items: approval of minutes of previous Annual Meeting, election of directors, reports of officers, unfinished business, and new business.

Section 3.10. Robert's Rules of Order. All meetings of the Cooperative shall be governed and conducted substantially in accordance with the most recent edition of Robert's Rules of Order.

## **ARTICLE 4 DIRECTORS**

Section 4.1. General Powers. The business and affairs of the Cooperative shall be managed under the direction of a board of five (5) Directors, which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles or these Bylaws conferred upon or reserved to the Members. The Board of Directors shall have the power to make and adopt such policies, rules and regulations consistent with law, the Articles, or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4.2. Director Qualifications. In order to become or remain a Director all of these qualifications must be met:

- (a) Hold a membership in that district.
- (b) A natural person, who has their permanent legal residence within the district in which the Director is nominated or elected for at least one (1) year prior to the meeting at which the Director is to be up for election.
- (c) Must not be a convicted felon.
- (d) Cannot be an employee of the Cooperative, or has not been an employee of the Cooperative at any time in the previous three (3) years, or a close relative by blood or in-law, including half, step and adopted kin, a spouse, child, grandchild, grandparent, brother, sister, aunt, uncle, nephew or niece of a current employee of the Cooperative.
- (e) Cannot be in any way employed by or financially interested in a competing enterprise or business selling electric energy to the Cooperative, or business interest primarily engaged in selling electrical or plumbing supplies, appliances or fixtures to the Cooperative.
- (f) Must have the legal capacity to enter into a binding contract.
- (g) When a membership is held jointly or by tenants in common, one of the joint tenants or one of the tenants in common, but not more than one, may be elected as a Director; provided, however, that such person shall not be eligible to become or remain a Director in the Cooperative unless both joint tenants or all tenants in common shall meet the qualifications hereinabove set forth.
- (h) Annually complete and sign an independence and conflict of interest certification and disclosure form approved by the Board of Directors.

Section 4.3. Tenure. A Director may serve an unlimited number of approximately three (3) year terms on the Board of Directors. A term shall begin immediately after the meeting the Director was elected or appointed and the term shall end at end of the 3<sup>rd</sup> Annual Meeting following the election of that Director. It is understood and agreed that not all terms will be exactly three years due to the date of the Annual Meetings. Notwithstanding anything contained herein to the contrary, there will only be one Director serving at a time for each district.

Section 4.4. Districts. The territory served or to be served by the Cooperative shall be divided into five districts. The boundary lines of such districts, as initially established, may be changed from time to time by the Board of Directors. The Board of Directors shall conduct a survey or analysis every 6 years to determine whether the number of Members in a district has materially changed. The Cooperative shall provide a map of the district boundaries to a Member upon request (the map will not include Member names). For the election of Directors, each Member shall be deemed to belong in one district. That district shall be determined from the following criteria:

- (a) The Member's principal residence, or, if the Member is not a natural person, the Member's principal address.
- (b) If a Member who is a natural person has no principal residence, or, if a Member who is not a natural person has no principal address in any specific district in which service is received from the Cooperative, then the Member shall designate in writing to the Secretary of the Cooperative, at least fifteen (15) days prior to the time of giving notice of the meeting in question, the one district that Member has determined to be that Member's district. Such designation shall not be changed without prior Board of Directors' approval and the Member shall be eligible to be elected as a Director of the Cooperative only from said district.

Section 4.5. Any Member may be nominated for the position of Director from their district as set forth in Section 4.4 of these Bylaws, by submitting a petition signed by at least 15 Members who have voting rights in the nominee's district not less than 90 days before the date of the election using the form of petition prescribed by the Board of Directors. A Member who is not nominated pursuant to this section, may not be elected as a Director. A Member may not sign more than one petition except in the case of a joint membership and in that case, both joint members may sign a petition.

Section 4.6. Election of Directors. At the Annual Meeting in each year, the membership shall vote to fill those director positions that have expired or are vacant. These Directors shall be elected by ballot from the Members to serve until their successors have been both elected and qualified subject to the provisions or unless otherwise terminated or vacated of these Bylaws. The nominee from each district receiving the largest number of votes shall be elected as a Director. In the event there is only one candidate for a Director position, the single candidate nominated shall be deemed elected by acclamation as an unopposed candidate, and no voting shall be required for such uncontested Director position. The notice of the annual Member meeting shall state the name of the candidate elected by acclamation, and the individual presiding at the annual Member meeting may announce that the uncontested candidate was elected by acclamation, and that no vote was required.

At all meetings of the Members at which a quorum is present, each membership shall be eligible to cast one vote only for each Director to be elected. Voting shall be done as provided in these Bylaws or as allowed by law. If there is a tie, the winner shall be determined by a coin toss. The calling of heads or tails shall be made by an alphabetical order by the tied nominees. The result(s) of the election of Director(s) shall be announced prior to the adjournment of the Annual Meeting.

Section 4.7. Vacancies and Termination. Vacancies occurring on the Board of Directors shall be filled by a majority vote of the remaining Directors in a timely manner. Directors thus elected shall serve until the next Annual Meeting. The remainder of the term will then be filled by vote of the membership using the usual method for the election of Directors. Vacancies shall be filled to comply with all other qualifications of becoming a Board Member. The Board of Directors may declare a vacancy if the Board Member has missed three (3) consecutive regular board meetings or four (4) regular board meetings in any twelve (12)-month period without a valid reason.

Section 4.8. Compensation. Directors shall not receive any salary for their services as such, except that the Board of Directors may, by resolution, authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences and training programs, or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, Board Members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board of Directors in lieu of detailed accounting for some of these expenses. No Board Member shall receive compensation for serving the Cooperative in any other capacity.



Section 4.9. Accounts and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of the fiscal year. The financial condition of the Cooperative shall be submitted to the Members at the following Annual Meeting.

Section 4.10. Campaign Finance Disclosure.

- a) Campaign Contributions Discourage. To promote the fairness and transparency of the election process and the best interests of the Cooperative, a candidate for election on the Board of Directors is encouraged to campaign without accepting financial contributions, in-kind contributions, gifts, donations, loans to support the campaign, promises, or pledges to transfer money, goods, or services, paid personal services, or any other type of financial contribution from any individual, legal entity, Cooperative member or group of members, group of other persons, business, political party, interest group, association, union, or any other entity.
- b) Members who are candidates for the Board of Directors must follow the requirements set forth below to be eligible to be elected as a Director:
  - i. If a candidate chooses to accept campaign contributions of any kind of \$25.00 or more, then the campaign contributions must be freely disclosed as required in this Bylaw.
    1. "Campaign Contribution" means any of the following of \$25.00 or more: a financial contribution, an in-kind contribution, a gift, a donation, a loan to support the campaign, a promise or pledge to transfer money, goods, or services, paid personal services, or any other type of contribution from an individual, entity, group, business, partnership, political party, interest group, or union.
    2. A candidate who does not accept Campaign Contributions may voluntarily disclose that decision to the Cooperative's members by filing a statement in the manner and form approved and directed by the Cooperative.
  - ii. A candidate who chooses to accept Campaign Contribution is required to file with the Cooperative, for posting by the Cooperative, on its website, a weekly Contributions report (which will be provided by the Cooperative), containing:
    1. The name and address of the source of each Campaign Contribution;
    2. The amount of each Campaign Contribution;
    3. The date the candidate accepted each contribution in excess of \$25.00; and
    4. The contributor's occupation and employer (from individual contributors).
  - iii. A candidate who spends his or her own personal funds on the candidate's own campaign is not required to file a Contributions Report.
  - iv. A candidate is required to file his or her Contributions Report on the following schedule:
    1. On each Friday before the election for the Board of Directors; and
    2. On the 30<sup>th</sup> day after the date of election for the Board of Directors that includes any Campaign Contributions not previously disclosed.
  - v. If a candidate is elected, or appointed after the election to a director position, and the candidate chooses to accept contributions intended to help retire the candidate's campaign debt, the candidate is required to file with the Cooperative for posting by the Cooperative on its website a Contribution Report within 30 days after accepting each contribution.
- c) Any member who believes that a candidate or Director has violated this Bylaw (the "Complainant") may file a written complaint (the "Complaint") with the Cooperative at the Cooperative's headquarters, together with any documents in support of the Complaint. The form of the Complaint will be provided to the Complainant. The Cooperative will send a copy of the Complaint to the candidate or Director against whom

the Complaint is made (the “Respondent”). The Board of Directors, in its sole discretion, shall choose 1 arbitrator to decide the Complaint. The arbitrator shall be a qualified neutral arbitrator, who shall be an attorney licensed to practice law in the State of Minnesota. The arbitration shall be finally and exclusively decided by binding arbitration in accordance with the American Arbitration Association Commercial Arbitration Rules. The Cooperative’s legal counsel shall meet and inform the arbitrator of his/her responsibilities under this Bylaw. The Cooperative shall pay any fees and expenses to the arbitrator for the services rendered. The Cooperative shall indemnify the arbitrator against all claims that may be brought against him/her which arise from the performance of the arbitrator’s duties under this Bylaw.

- i. Once the arbitrator is chosen, the Cooperative shall send the Complaint to the arbitrator with a directive to handle the Complaint as expeditiously as possible in accordance with this Bylaw. The arbitrator shall promptly review the Complaint and set a hearing on the Complaint as soon as possible. All parties shall be given at least 3 days’ written notice (written includes e-mail, text, or other electronic means) of the hearing on the Complaint.
  - ii. The Complainant and Respondent shall be entitled to appear at the hearing with legal counsel and present evidence for and against the charges made in the Complaint. The Complainant shall bear the burden of proof and the burden of proof shall be by a preponderance of the evidence. Promptly after the hearing, the arbitrator shall determine whether the Complainant has met the burden of proof that a violation of this Bylaw was committed. If the arbitrator determines that a violation of this Bylaw was committed, the arbitrator shall prescribe the penalty to be imposed for the violation, considering the nature and severity of the violation. The penalty must be appropriate to the violation committed.
    1. Penalties may include:
      - a. An order to cease and desist from the violation,
      - b. A reprimand,
      - c. A censure,
      - d. A disqualification of the Respondent’s candidacy and removal from the Board of Directors,
      - e. A recommendation that the Director resign or be removed from office, or
      - f. Such other penalty as the arbitrator determines is appropriate.
- d) The arbitrator shall submit his/her award and the factual basis for the determination on the Complaint and the penalty to be imposed, if any, in writing (in writing includes e-mail) promptly to the Board of Directors, the complainant, and the Respondent. The Board of Directors shall promptly execute the decision of the arbitrator. The arbitration shall be held in Cook County, Minnesota. Any award rendered by the arbitrator shall be final and binding upon the Complainant, Respondent, and the Cooperative and judgment upon any award rendered by the arbitrator may be entered into any court having jurisdiction. The Members, candidates, and the Cooperative waive all rights to a trial by jury in connection with anything contained in this Bylaw.
  - e) The arbitrator may consult with the Cooperative’s legal counsel in the discharge of his/her duties. The arbitrator may also use an assigned Cooperative staff member to coordinate notices and arrangements for a hearing, the hearing location, a hearing tape/transcript, and such other services as the arbitrator deems necessary to carry out his/her duties under this Bylaw.
  - f) The Cooperative will not be responsible, and no Member shall make any claim against the Cooperative, for the payment of attorneys’ fees and costs arising from the conduct of the election of directors under the provisions of this Bylaw.
  - g) By becoming a candidate for the Board of Directors, all candidates hereby acknowledge and agree to the requirements of this Bylaw and understand that a violation of this Bylaw could subject the candidate/director to the penalties described in this Bylaw.

Section 4.11. Removal of Directors by Members. The Members shall have the power to remove Directors at a Members' meeting by an affirmative vote with a quorum present. Directors shall only be removed for cause. Charges against a Director must be specific and must be filed with the Secretary of the Cooperative at least twenty (20) days before the Annual Meeting or special meeting called for this purpose, together with a petition signed by at least ten percent (10%) of the members of the Cooperative in that Director's district, requesting removal of the Director. Upon filing of such a petition and charges, the Secretary of the Cooperative shall immediately notify the Director so charged, in writing, at least ten (10) days prior to the meeting of the Members. Prior to the vote on the removal of the Director sought to be removed, the Director so charged shall be allowed representation by counsel, shall be allowed to present evidence, shall be allowed to cross-examine witnesses, and shall be allowed to be heard in person at the meeting. The proceeding shall be presided over by a neutral chairperson and the proceedings must be recorded.

## **ARTICLE 5 INDEMNIFICATION**

Section 5.1. Indemnification of Directors. The Cooperative shall indemnify Directors, Officers, agents and employees against liability to the extent that their acts or omissions constituting the grounds for the alleged liability:

- (a) were performed in their official capacity, and
- (b) were based upon what a reasonable person would deem to be good faith business judgments and
- (c) the party to be indemnified believed their acts or omissions were in the best interests of the Cooperative.

The Cooperative may purchase insurance to cover such indemnification.

## **ARTICLE 6 MEETINGS OF DIRECTORS**

Section 6.1. Regular Meetings. A re-organizational meeting of the Board of Directors shall be held as soon as practically possible after the Annual Meeting of the Members. Regular meetings of the Board of Directors shall also be held monthly at such date, hour, manner, method, and location (whether in-person, virtual, teleconference, or through a different format) as set by the Board of Directors. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof. A Director may be deemed present at a regular meeting by appearing in person, electronically, telephonically, via video conferencing, or by such other method as the Board of Directors at its sole discretion may approve.

Section 6.2. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the date, hour, manner, method, and location (whether in-person, virtual, teleconference, or through a different format) for the holding of the special meeting. A Director may be deemed present to a regular meeting by appearing in person, electronically, telephonically, via video conferencing, or by such other method as the Board of Directors at its sole discretion may approve.

Section 6.3. Notice of Special Board Meetings. Notice of time, place and purpose of any special meeting of the Board of Directors shall be given at least two (2) days prior thereto, by written notice or delivered personally by mail or electronically to each Director at his or her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid thereon. If mailed, the time for giving Notice shall be increased to five (5) days. In all cases, the time to give notice shall not count Federal or State holidays, Saturdays or Sundays. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 6.4. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors are present at said meeting, said meeting shall not be called to order.

Section 6.5. Manner of Acting. The acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

Section 6.6. Board Action by Written Consent. Without a Board of Directors' meeting, the Board of Directors may take an action required or permitted to be taken at a Board Meeting if the action is: (1) taken by all Directors and (2) evidenced by one or more written or electronic consents: (a) describing the action taken; (b) signed by each Director (such signature can be electronic); (c) delivered to the Cooperative; and (d) included with the Cooperative's Board Meeting minutes. A written consent has the same effect of, and may be described as, an action of the Board of Directors.

Section 6.7. Board Meetings are Open to Members. All regular and special meetings of the Board of Directors shall be open to Members subject to the right of the Board to close any portion of the meeting.

## **ARTICLE 7 OFFICERS**

Section 7.1. Number. The officers of the Cooperative shall be selected from the Board of Directors and include, President, Vice President, Treasurer and Secretary and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be combined by resolution of the Board of Directors, with such position to be termed "Secretary-Treasurer".

Section 7.2. Election and Term of Office. The officers shall be elected annually by and from the Board of Directors at the re-organizational meeting. If, for some reason, the election of officers cannot be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the Members or until that officer's successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the un-expired portion of the term.

Section 7.3. Removal. Any person appointed to a position by the Board of Directors may be removed by an affirmative vote of all remaining Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 7.4. President. The President shall:

- (a) Be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors.
- (b) Along with the Secretary or any other proper person as designated by the Board of Directors, sign any deeds, mortgages, notes, bonds, contract or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed; and
- (c) In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7.5. 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.

Section 7.6. Secretary. The Secretary shall be responsible for:

- (a) Keeping the minutes of the meetings of the Members and of the Board of Directors in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;

- (c) The safe keeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its Seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) Keeping a register of the names and post office addresses of all Members.
- (e) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto any Member upon request; and
- (f) In general, performing all duties incident to the office of secretary and such other duties as from time to time may be assigned by the Board.

Section 7.7. Treasurer. The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) the general performance of all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 7.8. CEO. The Board shall appoint a Chief Executive Officer (CEO) who may be, but who shall not be required to be, a Member of the Cooperative. The CEO shall:

- (a) have general charge and management of the business of the Cooperative, subject to the control of the Board of Directors;
- (b) employ, discharge, determine the duties and terms of employment of all other employees of the Cooperative;
- (c) sign all certificates, deeds, mortgages, contracts, and other instruments as authorized by the Board of Directors;
- (d) make reports to the Board of the Directors and Members of the Cooperative; and
- (e) perform such other duties as may be prescribed by the Board of Directors.
- (f) The salary, duties, and terms of employment of the CEO shall be fixed and determined by the Board of Directors.

Section 7.9. Bonds or Insurance of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded or insured in such sum and with such surety as the Board of Directors shall determine. The Board of Directors, in its discretion, may also require any other officer, agent or employee of the Cooperative to be bonded or insured in such amount and with such surety as it shall determine.

Section 7.10. Compensation. The compensation of officers shall be fixed by the Board of Directors. No officer of the Board of Directors shall be prohibited from receiving such compensation by reason of also being a member of the Board of Directors.

Section 7.11. Reports. The officers of the Cooperative shall submit at each Annual Meeting of the Member's reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

Section 7.12. Insurance. The Cooperative may purchase and maintain insurance on behalf of an individual who is or was a Director or Officer of the Cooperative. This insurance is against liability, including judgment, settlement, or otherwise, or reasonable expenses, including reasonable attorneys' fees, asserted against or incurred by the Cooperative or the individual in his or her individual capacity, or arising from the individual's status as a Director or Officer of the Cooperative.

## **ARTICLE 8 FINANCIAL TRANSACTIONS**

Section 8.1. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative and such authority may be general or confined to specific instances.

Section 8.2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

Section 8.3. Deposits and Investments. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such banks, financial institutions or other investments as the Board may select.

## **ARTICLE 9 NOT-FOR-PROFIT OPERATION**

Section 9.1. Interest or Dividends on Capital Prohibited. No interest or dividends shall be paid upon any of the Membership Certificates issued by this Cooperative. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all Members will, through their usage of electric services, furnish capital for the Cooperative. In order to assure that the Cooperative will operate on a not-for-profit basis, the Cooperative is obligated to account on a patronage basis to all its Members for all amounts received and receivable from the furnishing of electric in excess of operating costs, expenses, capital reserves, or additional reserves and expenses properly chargeable against the furnishing of electric services. All such payments for services are made with the understanding that they are furnished by the Members as capital.

The Cooperative is obligated to assign by credits to a capital account for each Member all such amounts in excess of operating costs and expenses and to debit to such capital account for each Member all operating costs and expenses in excess of such amounts received and receivable from the furnishing of electric energy. The books and records of the Cooperative shall be set-up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each Member is clearly reflected and credited in appropriate records to the capital account of each Member. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each Member of the amount of capital so credited or debited to his/her/its account. All such amounts credited to the capital account, of any Member, shall have the same status as though they had been paid to the Member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, and any membership application fees returned, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of Members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to Members' accounts may be retired in full or in part, in the Board of Director's sole discretion. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all accounts heretofore and hereafter furnished as capital.

Capital credited to the account of each Member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and upon approval by the Board of Directors and within the Board of Directors' discretion.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power, at any time, to retire capital credited to the account of a Member or former Member who is a natural person and who shall have died. Such retirement shall be upon such terms and conditions as the Board, acting under policies of general application, shall determine, in its sole discretion; provided, however, that the financial condition of the

Cooperative will not thereby be impaired. No capital shall be paid to non-natural person Members upon dissolution of that member's legal entity except by resolution of the Board of Directors at their sole discretion.

If a former Member has any unpaid balance owing to the Cooperative for more than 90 days, such former Member grants the Cooperative the right, in the Board of Director's sole discretion, to calculate the discounted present day value of any patronage allocated to said former Member and apply said discounted present day value towards any amounts owing to the Cooperative. The discounted present-day value will be calculated annually based on the weighted cost of capital. The remaining value of the patronage shall be forfeited and become the permanent equity of the Cooperative. Any amounts still owing to the Cooperative after application of any discounted present-day value of capital credits shall remain a debt owed to the Cooperative and subject to collection and recoupment.

The Members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles and Bylaws shall constitute and be a contract between the Cooperative and each Member and both the Cooperative and the Member are bound by such contract, as fully as though each Member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each Member of the Cooperative by posting in a conspicuous place in the Cooperative's office. Members acknowledge that a change in the terms and conditions of the Articles and Bylaws shall supersede and replace prior Articles and Bylaws.

Section 9.2. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable there-from which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be used as applied at the discretion of the Board as follows:

1. Be retained as permanent equity; or
2. Be allocated as margins to Members of the Cooperative

## **ARTICLE 10 DISPOSITION OF PROPERTY**

The Cooperative may, at any meeting of its Board of Directors, sell, mortgage, lease or exchange its facilities, property rights, privileges and franchises upon such terms and conditions as the Board of Directors may deem expedient and for the best interests of the Cooperative; provided, however, that the sale of all or substantially all of the Cooperative's assets must be approved by two-thirds of all Members of the Cooperative at the time the vote is held. For example purposes only, if the Cooperative has 10,000 members at the time of the vote, at least 6,667 members must vote in favor of the sale of all or substantially all of the Cooperative's assets. This section shall not apply to, or modify, the requirements for a merger or consolidation, which shall be as established by these Bylaws, the Articles, or Minnesota law. Provided further, however, that notwithstanding anything herein contained, the Board of Directors without authorization by the Members shall have full power and authority to borrow money from the United States of America or any agency or instrumentality thereof or from any other lending institution and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidence of indebtedness and to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperatives, whether acquired or to be acquired and wherever situated all upon such terms and conditions as the Board of Directors shall determine.

## **ARTICLE 11 FISCAL YEAR**

The fiscal year of this Cooperative shall begin on the first day of January in each year and end on the thirty-first day of December of each year.

**ARTICLE 12  
SEAL**

The corporate seal of this Cooperative shall be in the form of a circle and shall have inscribed thereon the name of this Cooperative and words, "Corporate Seal, Minnesota".

**ARTICLE 13  
AMENDMENTS**

The Bylaws of this Cooperative may be altered, amended or repealed by a majority of the Members voting thereon by any permitted means, at any regular or special meeting, providing that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

**ARTICLE 14  
LIABILITY INSURANCE**

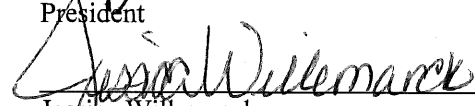
The Board of Directors may, from time to time authorize and direct that liability insurance be obtained to insure the Cooperative, its members, directors, officers, employees or agents, including personal liability of any of said persons, against liability resulting from any and all acts performed or done by or on behalf of the Cooperative, or in the ordinary course of acting on behalf of the Cooperative, including liability for negligence and nonfeasance and may further authorize and direct that all premiums for such insurance shall be paid by the Cooperative and any such premiums paid shall not be considered compensation to any person thereby covered. Provided, however, that such insurance shall not insure against deliberate malfeasance of any person and provided, further, that the existence of any such insurance, or limits there, shall not affect the liability of any such Member, Director, Officer, employee or agent to the Cooperative for any such act or failure to act.

**ARTICLE 15  
SECURITY INTEREST IN PATRONAGE CAPITAL**

As security for the full and prompt payment and performance when due of any and all obligations or indebtedness that may be owed by a Member to the Cooperative, the Cooperative shall have a continuing security interest in, and recoupment claim against, the patronage capital allocated to a Member. Each Member authorizes the Cooperative to perfect that security interest by any filing required by law. Regardless of a statute of limitation or other time limitation, after retiring capital credits allocated to a Member, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the Member, including any interest, late fees, and service fees, by reducing the amount of the retired capital credits paid by the amount owed to the Cooperative.

IN TESTIMONY WHEREOF, these Amended and Restated Bylaws were approved and adopted by the Cooperative's membership on April 12, 2025, and the following officers' signatures have been affixed in attestation thereof.

  
\_\_\_\_\_  
Roger Peterson  
President

  
\_\_\_\_\_  
Jessica Willemarck  
Secretary