

RESTATED ARTICLES OF INCORPORATION

AS AMENDED THROUGH APRIL 11, 2015

**ARTICLE I
NAME AND LOCATION**

The name of this cooperative shall be Taylor Electric Cooperative, and its location and principal office shall be in the Town of Little Black, in Taylor County, Wisconsin, Post Office Address: N1831 State Highway 13, Medford, Wisconsin 54451.

**ARTICLE II
PURPOSES**

The principal purpose for which this cooperative association is formed is that of furnishing its members with electric power and energy on a cooperative non-profit basis. The cooperative may engage in any activity within the purposes for which cooperative associations may be organized under Wisconsin law and all such activities shall be deemed within its purposes subject to such express limitations as may be imposed pursuant to its bylaws.

**ARTICLE III
DURATION**

The duration of this cooperative association shall be perpetual.

**ARTICLE IV
NON-STOCK & MEMBER CLASSES**

This cooperative association is organized without capital stock and there shall be only one class of members with respect to voting rights.

**ARTICLE V
PROPERTY RIGHTS AND BASIS OF DISTRIBUTION
IN THE EVENT OF DISSOLUTION**

Upon dissolution, after (a) all debts and liabilities of the cooperative shall have been paid, (b) all capital furnished through patronage shall have been retired as provided in the bylaws, the remaining property and assets of the cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage capital credited to each bears to the total patronage capital credited to all members, in each case determined immediately prior to the final retirement of patronage capital described above. In making this distribution, patronage capital for each year may be adjusted to reflect the changes in the Consumer Price Index, if any, between the year the patronage capital was allocated and the date of distribution if and to the extent, in the judgment of the board of directors, fairness requires such adjustment.

**ARTICLE VI
DIRECTORS AND OFFICERS**

The business and affairs of the cooperative shall be managed by a board of directors. The number of and qualifications for directors, and the number, titles and responsibilities of the officers, shall be specified in the bylaws.

**ARTICLE VII
AUTHORIZATION FOR SALE, MERGER OR CONSOLIDATION**

This cooperative may merge or consolidate with one or more other electric cooperatives upon compliance with the provisions of law relating thereto. If the other cooperative or cooperatives

with which this cooperative proposes to merge or consolidate is or are electric cooperatives organized and existing under Chapter 185 of the Wisconsin Statutes, and such other cooperative or cooperatives has or have been engaged in producing or furnishing electric power to its or their members at cost and without profit for at least two years prior to such merger or consolidation, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. Likewise, if this cooperative proposes to merge or consolidate with an electric cooperative which is an entity resulting from merger or consolidation of other electric cooperatives meeting the qualifications set forth above, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. If the proposed merger or consolidation is with one or more organizations not meeting the foregoing qualifications, or in the case of a proposed sale or similar disposition of all or what in the judgment of the board of directors constitutes any substantial portion of the cooperative's property, approval of the plan of merger or consolidation or of the sale or disposition shall require the affirmative vote of not less than two-thirds of all members of the cooperative. Any amendment of these Articles to change the vote required to approve the transactions described in the preceding sentence shall require the affirmative vote of not less than two-thirds of all members of the cooperative.

RESTATED BYLAWS OF TAYLOR ELECTRIC COOPERATIVE

As amended through ~~June 25, 2024~~ June 23, 2026.

The aims of the Cooperative are threefold:

- (a) to make adequate and dependable electric service available to all members and to all unserved persons within its service area desiring to become members;
- (b) to render such service without discrimination on a cooperative basis at the lowest cost consistent with sound economy and good management; and
- (c) to fulfill its obligations as a responsible business citizen in furthering the general welfare of the citizens of the community in which it operates.

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership. A person, firm, association, corporation, partnership, limited liability entity or body politic or subdivision thereof will become a member of Taylor Electric Cooperative (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he or it has first:

- (a) made an application for membership in such form as the Cooperative may specify;
- (b) agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any policies, rules and regulations adopted by the board.

Any person who requests service from the Cooperative subject to the conditions applicable to all patrons of the same class of service, upon receipt of such service shall be deemed a member with the same rights and privileges as each other member of such class. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws. ~~Two or more persons may hold a membership as joint tenants with right of survivorship in accordance with the terms of their application, these bylaws, and any rules of the board of directors applicable thereto. The provisions of Section 3 (e) of this Article shall apply to membership held by a joint membership where the holders thereof are not husband and wife.~~

~~Section 2. Membership Certificate. Membership in the Cooperative may be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board. Such certificate shall be signed by the Chairman and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board may prescribe *Reserved*.~~

Section 3. Joint Membership. ~~Two or more persons may hold a membership as joint tenants with right of survivorship in accordance with the terms of their application, these bylaws, and any policies, rules or regulations adopted by the board of directors applicable thereto.~~

- (a) Any application for membership ~~in the Cooperative received after March 22, 1986,~~ from any person who is married shall be deemed and become an application for membership by husband and wife as joint tenant members with right of survivorship unless the person

making such application ~~otherwise~~ designates in writing that such application shall be for a membership solely in the applicant's name.

- (b) ~~Reserved. With respect to memberships issued prior to March 22, 1986, the membership of any persons who on March 22, 1986, were married, or who thereafter while a member became married, shall be deemed to have become, and did become at such time, a membership in husband and wife as joint tenant members with right of survivorship without further action by such member, unless within 30 days after March 22, 1986, or 30 days after date of marriage, whichever date is later, the person to whom such membership was issued otherwise has designated in writing.~~
- (c) The term "member" as used in these bylaws shall be deemed to include persons holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally to the holders of a joint membership, including, without limitation the following:
- (1) the presence at a meeting of ~~either or both~~ any party to the joint membership shall be regarded as the presence of ~~one~~ the member and shall constitute a joint waiver of notice of meeting;
 - (2) the vote of ~~either any party to the joint membership separately or both jointly~~ shall constitute a joint vote;
 - (3) a waiver of notice signed by ~~either or both~~ any party to the joint membership shall constitute a joint waiver;
 - (4) notice to ~~either any party to the joint membership~~ shall constitute notice to ~~both the member~~;
 - (5) expulsion of ~~either any party to the joint membership~~ shall terminate the joint membership;
 - (6) withdrawal of ~~either any party to the joint membership~~ shall terminate the joint membership;
 - (7) ~~either but not both~~ a party to the joint membership may be elected or appointed as an officer or board member, provided that ~~both meet the qualifications for such office such party is the only party to the joint membership elected or appointed to any such position.~~
- (d) The records of the Cooperative shall properly show all joint memberships in the names of joint members. By writing signed by ~~both~~ all joint members and filed with the Cooperative any joint membership may be terminated and changed to a membership vested solely in one of the joint members.
- (e) Upon the death of ~~either spouse, or other~~ any person, who is the party to a joint membership, such membership shall be held solely by the survivor(s) and the records of the Cooperative shall be changed to show membership solely in the survivor(s)'s name(s), provided however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 4. Conversion of Membership. A membership may be converted to a membership as joint tenants with right of survivorship upon the written request by the holder and the agreement by the holder and the persons becoming ~~tenants in common or~~ joint tenants with right of survivorship to comply with the articles of incorporation, these bylaws and policies, rules and regulations adopted by the board of directors applicable thereto. ~~Any outstanding membership~~

~~certificate shall be surrendered, and may be reissued by the Cooperative in such manner as shall indicate the changed membership status.~~

Section 5. Membership Fee. The payment of a membership fee shall not be required, but this shall not affect any meter or guarantee deposit or connection fee which may be required by the policies, rules and regulations of general application applicable to the class of service requested.

Section 6. Purchase of Electric Energy. Each applicant for membership shall as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in the application for membership and shall pay therefor at rates which shall from time to time be fixed by the board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate safety and other regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these bylaws. Regardless of the amount of electric energy consumed each member shall pay to the Cooperative such minimum amount as shall be fixed by the board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

Section 7. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. Subject to any regulations imposed by lawful authority, the board may, by the affirmative vote of not less than two-thirds (2/3) of all members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or reasonable policies, rules or regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy for the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, ~~and the membership certificate of such member shall be cancelled forthwith.~~ Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint, provided that except for the membership fee, if any, this provision shall not affect the ownership of funds held by the Cooperative in the names of the joint owners, and further provided, that neither joint owner shall be released from debts due the Cooperative arising from the joint ownership.
- (d) In case of withdrawal or termination of membership in any manner, or in the event that it is determined that membership fees shall be otherwise refunded, the Cooperative may

repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

Section 8. Non-Liability for Debts of the Cooperative. The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 9. Property Interest of Members. Upon dissolution and after

- (a) all debts and liabilities of the Cooperative shall have been paid, and
- (b) except as otherwise provided in these bylaws, all capital furnished through patronage shall have been retired as provided in the bylaws,

then the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage capital credited to each bears to the total patronage capital credited to all members, in each case determined immediately prior to the final retirement of patronage capital described above. In making this distribution, patronage capital for each year may be adjusted to reflect the changes in the Consumer Price Index, if any, between the year the patronage capital was allocated and the date of distribution if and to the extent, in the judgment of the board of directors, fairness requires such adjustment.

Section 10. Dispute Resolution. Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of electric energy or other services, or its furnishing of any goods or its conduct of its operations, that are not resolved by agreement of the parties, shall, at the request of any party, be resolved by binding arbitration by an impartial arbitrator or panel of arbitrators, pursuant to written procedures to be established from time to time by the board of directors; provided, however, that matters within the jurisdiction of the small claims courts may be pursued in such courts. As with the other terms of the contract between the patrons and the Cooperative, each patron, member or non-member alike, and the Cooperative agree to arbitrate all such claims or controversies according to this bylaw and the policies, rules, regulations and procedures prescribed by the board of directors pursuant to this bylaw, and further agree to abide by and perform any resulting arbitration awards.

ARTICLE II SERVICE PRINCIPLES

Section 1. Area Coverage Service. The Cooperative holds itself out to serve and shall make diligent efforts to extend and render adequate and dependable service to all unserved persons within the Cooperative service area, regardless of the size or nature of their service requirements, who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of service.

~~Section 2. Service Area Maps. The Cooperative shall from time to time prepare and maintain on file area coverage service maps designating the Cooperative service area within which it holds itself out to extend and render service under Section 1 of this Article Reserved.~~

Section 3. Extension and Service Rules. Extension and service rules of the Cooperative from time to time promulgated by the board shall be of general and uniform application and shall provide for service without discrimination to all patrons or members within the same classification of business, and those rules may require each member to convey easement rights to enable the Cooperative to serve its members.

Section 4. Service to the Non-Member Patrons. In the event the Cooperative shall acquire all or any portion of the property of any public utility, former consumers of such public utility served through the property acquired shall be invited to become members of the Cooperative. Should any such consumer refuse to become a member of the Cooperative then the Cooperative may continue to render electric service to such consumer as a patron of the Cooperative, provided, however, that the Cooperative may not render service to non-members in excess of ten percentum of the total patrons served by the Cooperative.

Section 5. Assumption of Public Utility Obligations. Within the corporate limits of any city or village in which the Cooperative may acquire the property of any public utility, the board of directors may, by rule or by agreement with the governing board of such municipality, cause the Cooperative to become subject therein to all or part of the regulatory rules and jurisdiction of the Public Service Commission of Wisconsin, or other regulatory agency provided by law, provided that this shall not affect the status of the Cooperative in the balance of its service area.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on a date each year at such time and place within one of the counties in which the Cooperative provides service as shall be determined by the board of directors and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by the Chairman, by resolution of the board of directors or by ten percent (10%) or more of all of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings may be held at any place within one of the counties in which the Cooperative provides service as designated by the board and shall be specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour, and in the case of a special member meeting the purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, the notice is given when it is deposited or a newsletter or other publication of the Cooperative or of an affiliated organization which includes the notice, is deposited, in the United States mail with postage prepaid thereon, addressed to such person at his or her address as it appears on the records of the Cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. The number of members to constitute a quorum at a meeting of members shall be fifty (50). ~~In case of a joint membership the presence at a meeting by either joint member or both shall be regarded as the presence of one member.~~ If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting, provided a new notice is mailed to each member specifying the time and place of the adjourned meeting.

Section 5. Voting. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting except as otherwise provided by law, the articles of incorporation of the Cooperative or these bylaws. ~~Two or more persons holding a joint membership shall jointly 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 cooperative, corporation, partnership, limited liability entity, government body, church or voluntary association may, acting through its governing body, designate in writing its representative to act for it at membership meetings. Such written designation shall be filed with the Secretary before such representative votes at any such meeting, except that the chairman of any such corporation, limited liability entity, association, board, or body politic may cast its vote at such meeting if no such written designation for any other representative is so filed. Such representative or officer may also vote as an individual if he is a member. A guardian or court appointed legal representative of any member may vote on behalf of such member.

If and when the board of directors authorizes the use of signed mail ballots, the completed ballot shall be mailed or delivered to the location and by the deadline specified in the notice of the membership meeting. A sealed envelope bearing the signature of the member and enclosing a marked ballot shall constitute the valid mail ballot of that member. Should the annual meeting be adjourned to a later date, the ballots will be stored in a secure location and the timely, valid ballots will be opened and processed at the reconvened meeting.

Where signed mail ballots are permitted, the board of directors may similarly permit electronic voting, provided it has first adopted authentication procedures to govern such voting that in the board's judgment will reasonably ensure that it is the member who is casting the vote and provided the vote is received in the manner, and by the deadline, specified by the Cooperative in the notice of the membership meeting.

Section 6. Meeting Rules. The board of directors may in any year establish rules to govern the conduct of the annual meeting and similarly for any other membership meeting. The rules shall include a deadline for members to submit any advisory resolutions relating to the affairs of the Cooperative that they plan to present at the annual meeting, and that deadline shall be communicated to the membership. With the exception of that deadline, the rules shall remain in effect until superseded by other rules adopted by the board or by the membership. The board shall also have responsibility for considering any proposed advisory resolutions that are timely submitted by members. In consultation with the chief executive officer, the board shall determine whether additional information should be presented to the membership to ensure a full airing of the issue and an informed decision by the membership on the matter. The board in its report to the membership may make a recommendation concerning disposition of any such resolution.

Section 7. Order of Business. The order of business at the annual meeting of the members, and so far as possible, at all other meetings of the members shall be include the following:

- (a) report on the number of members present in person in order to determine the existence of a quorum;
- (b) report on the notice of the meeting and on the due publication or mailing thereof, or the waiver of notice of the meeting, as the case may be;
- (c) taking action on the unapproved minutes of previous meetings of members, provided copies of the minutes have been furnished to the members;
- (d) presentation and consideration of, and acting upon, reports of officers, directors and committees;
- (e) election of directors;
- (f) unfinished business;
- (g) new business; and
- (h) adjournment.

The foregoing order of business may be changed by a two-thirds (2/3) vote of the members in attendance and voting at any such meeting. Unless the members by a two-thirds (2/3) vote of those in attendance and voting determine otherwise, Roberts Rules of Order shall govern all other procedural questions not covered by the meeting rules established by the board of directors.

ARTICLE IV DIRECTORS

Section 1. General Powers. All powers of the Cooperative shall be exercised by or under authority of, and the business and affairs of the Cooperative shall be managed under the direction of, the board of directors, except as otherwise provided by law, the articles of incorporation, or these bylaws. There shall be seven (7) directors.

Powers of the board of directors (without limitation because of designation) shall include the determination and fixing of classification of business, rates to be charged by the Cooperative for services furnished, the promulgation and enforcement of policies, rules and regulations governing service to patrons, and the selection or nomination of directors, delegates or other representatives of the Cooperative at meetings of organizations of which the Cooperative may be a member, including the power to remove such director, delegate or representative.

Section 2. Tenure and Qualifications.

- (a) Tenure. At each annual meeting, directors shall be elected by and from the members and shall serve for three year terms or until their successors shall have been elected and qualified. No director who has completed service for six successive full terms shall be eligible for re-election until the third annual meeting from the expiration of the director's last term. These limitations shall apply to the appointment by the board to fill a vacancy for an unexpired portion of a term as well as to elections by the members.

The office of any director who is absent from any three consecutive board meetings may by action of the board be deemed vacated. The remaining directors shall then have power to elect a successor to serve the remainder of the term.

- (b) Qualifications. To be eligible to become or remain a director or hold any position of trust in the Cooperative a person must:
 - (1) have an active membership receiving service at their principal place of residence, or in the case of a member that is a partnership, corporation, limited liability entity, or

other form of organization, all the requirements set forth in the paragraph that follows (7), below, are met; and

- (2) not be in any way employed by or financially interested in a competing enterprise or a business selling energy, services or supplies to the Cooperative; and
- (3) not have been an employee (or spouse/partner of an employee) of the Cooperative at any time in the prior seven (7) years; and
- (4) not have pursued any claim or litigation against the Cooperative or any of its employees or directors at any time in the prior seven (7) years; and
- (5) not have been delinquent for more than 60 days in the prior year on any obligation owed the Cooperative; and
- (6) not have been convicted of a felony, unless the sentence or penalty, including any period of probation or parole or the time required to make restitution or pay any fine, was completed more than 10 years prior to the election or appointment to the board; and
- (7) meet the then current director's standard of conduct policy, in the judgment of a majority of the disinterested members of the board.

In the case of memberships involving joint tenants, a partnership, limited liability entity, or corporation, only one representative from that membership can be elected to be a director, provided, however, that such person shall not be eligible to become or remain a director or hold a position of trust in the Cooperative unless his or her principal residence is served by the Cooperative and all joint tenants, partners, LLC members or corporate officers meet the qualifications set forth in (2) – (7), above.

Nothing in this section shall be construed to preclude any member from serving as a director or from holding any position of trust in the Cooperative because such member is also a member or a director of any other cooperative from which this Cooperative purchases or may purchase electric energy, supplies or services, nor shall anything in this section be deemed or construed to affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

(c) Disqualification.

- (1) upon establishment of the fact that a nominee for director lacks eligibility under this section it shall be the duty of the chairperson presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee.
- (2) upon the establishment of the fact that any person already holding a position of director may lack eligibility to become or remain a director, it shall be the duty of the directors, upon reasonable notice to the person whose eligibility is in question, to hold a hearing on such matter.

The directors shall find and determine whether such person is ineligible to remain a director under the qualifications provided in these bylaws. In making such determination, the director whose eligibility is being considered may not vote. If the remaining directors determine by a majority vote that the person is ineligible, his or her office as a director shall forthwith become vacant. The remaining directors shall appoint a successor to serve the remaining term.

Section 3. Nomination and Election of Directors. It shall be the duty of the Board of Directors to appoint a nominating committee in time to allow the committee to meet at least ninety (90) days before the date of the annual meeting of the members, at which directors are to be elected. The

nominating committee shall consist of three members. Nominations may also be made by petition signed by not less than twenty-five 25 members received at the Cooperative's headquarters not less than sixty (60) days prior to the annual meeting. Election shall be by majority vote for each director position.

Election shall be by a singular ballot for all open seats, with each participating member casting votes for up to the same number of candidates as there are seats up for election. The candidates with the highest number of votes shall be elected to the open seats in order, by length of the open term (starting with the recipient of the highest number of votes, who shall be assigned to the seat with the longest term and the remaining seats then being filled in the same manner). In the event of a tie, the winner shall be determined by the flip of a coin or if more than two by the drawing of lots. In the event the number of qualified nominees equals or is fewer than the number of open seats, election may be by unanimous consent, voice vote or similar means, without the need to cast written ballots.

Section 4. Vacancies. Subject to the provisions of these bylaws with respect to the removal of directors, a vacancy in the office of director shall be filled by a majority vote of the remaining directors and a director thus elected shall serve for the unexpired portion of the term or until his successor shall have been elected and shall have qualified.

Section 5. Compensation. Directors, as such, shall not receive any salary for their services, but may be allowed a meeting per diem and expenses of attending committee meetings and meetings of the board of directors. A director, requested by the board, Chairman or President and CEO to assist the President and CEO or in lieu of management personnel to transact business for the Cooperative or to attend meetings of other organizations, may be allowed compensation per diem and expenses for such service. The board of directors shall from time to time establish the rate of the meeting per diem, but such action of the board of directors shall be reported to and subject to review at the following annual meeting. The change shall only take effect as of the date of that annual meeting, and if the members in attendance at the annual meeting shall establish a different per diem for attending meetings, such action of the members shall govern the per diem unless and until the board or members shall take other action under this section at any future annual meeting. No close relative of a director, or of a regular employee, as defined in board policy, may receive compensation for serving the Cooperative as a regular employee unless such compensation shall be specifically authorized by a vote of the board of directors (excluding the related director) or of the members. No director shall be employed as a regular employee of the Cooperative discharging normally routine work.

Section 6. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative. Such policies, rules and regulations shall be binding upon all members provided that the cooperative provides notice of the substance of any changes in the policies, rules and regulations affecting the terms and conditions of their service. For purposes of this section, notice shall be deemed sufficient if it is mailed to the member at the member's address as it appears on the records of the Cooperative, postage duly prepaid, or if it is published in a newsletter sent by the Cooperative to its members, is published in the Wisconsin Energy Cooperative News, or in another newspaper circulated in the service area of the Cooperative, or if it is available on the Cooperative's website.

Section 7. Accounting System and Reports. The board of directors shall cause to be established and maintain a complete accounting system. The board of directors shall also 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. A report of such audit shall be submitted to the members at the next succeeding annual meeting.

Section 8. Change in Rates. Written notice shall be given prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective, to the extent required by applicable regulation or contract. This requirement shall not apply to any automatic fuel clause or purchased power cost adjustment.

Section 9. Removal of Board Member by Members. Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percentum of the members or 300, whichever is the lesser, may request the removal of such board member by reason thereof. Upon receipt of such petition it shall be the duty of the Chairman or the board of directors to call a special meeting of the members to hear the same. Such board member shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the board member shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

ARTICLE V MEETINGS OF BOARD

Section 1. Regular Meetings. A regular meeting of the board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the board may be called by the Chairman or by any three board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or board members calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice. Written notice of the time, place and purpose of any special meeting of the board of directors shall be delivered at least three (3) days previous thereto, personally, by mail, or electronically, to each director by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid, provided it is so mailed at least five (5) days before the date set for the meeting.

Section 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these bylaws.

Section 5. Meetings Conducted by Electronic Means.

- (a) The board of directors may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board of directors by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:
 - (1) all participating directors may simultaneously hear each other during the meeting.
 - (2) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.
- (b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is deemed to be present in person at the meeting.

**ARTICLE VI
OFFICERS**

Section 1. Number and Titles. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by ballot annually by and from the board at the meeting of the board held immediately after the annual meeting of the members. If the election of officers shall not 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 following the next succeeding annual meeting of the members or until a successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 4. Chairman. The Chairman shall

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by members or the board, shall preside at all meetings of the members and the board;
- (b) ~~sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board or the members, and may~~ sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board 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 Chairman and such other duties as may be prescribed by the board from time to time.

Section 5. Vice Chairman. In the absence of the Chairman, or in the event of the Chairman's inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the power of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be prescribed by the board.

Section 6. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board 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) overseeing the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative ~~to all certificates of membership prior to the issue thereof, and~~ to all documents, the execution of which on behalf of the Cooperative under its seal is authorized in accordance with the provisions of these bylaws;
- (d) seeing that a register of the names and post office addresses of all members is kept;
- (e) ~~signing, with the Chairman, certificates of membership, the issue of which shall have been authorized by the board or the members~~reserved;
- (f) seeing that at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto is kept on file (which copy shall always be open to the inspection of any member) and seeing that at the expense of the Cooperative, a copy of the bylaws and of all amendments thereto is furnished to any member upon request; and
- (g) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the board.

Section 7. Treasurer. The Treasurer shall be responsible for:

- (a) overseeing the custody of all funds and securities of the Cooperative;
- (b) overseeing 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;
- (c) review and approval of monthly director expense vouchers, however, the Treasurer's own vouchers shall be reviewed and approved by the Chairman and this provision is not intended to deny the board the right to review and approve any vouchers if and when it may choose to do so; and
- (d) the general performance of all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the board.

Section 8. President and CEO. The board may appoint a president and CEO who may be, but who shall not be required to be, a member of the Cooperative. The president and CEO shall perform such duties and shall exercise such authority as the board may from time to time prescribe.

~~Section 9. Bonds 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 in such sum and with such surety as the board shall determine. The board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine Reserved.~~

Section 10. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons within a particular business classification for all amounts received and receivable from the furnishing of electric energy to patrons within such classifications in excess of operating costs and expenses properly chargeable against the furnishing of electric energy to patrons within such classification. Subject to the provisions hereof relating to adjustments between and among classes of business, all such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by patrons as capital. Subject to the provisions hereof relating to adjustments between and among classes of business, the Cooperative is obligated to pay as credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his class of business and to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be apportioned among the various classes of business on a total patronage basis and shall be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons within such business classifications on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

Section 3. Patronage Refunds in Connection with Furnishing Other Service. In the event that the Cooperative should engage to what the board judges to be a substantial extent in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom 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 prorated annually on a patronage basis and returned or allocated to those patrons, members or non-members alike, from whom such amounts were obtained.

Section 4. Unallocated Reserves. Notwithstanding anything to the contrary in this Article, the board of directors, in its discretion, may in any year credit to unallocated surplus or reserves of the Cooperative a portion of the net proceeds not exceeding the amount of margins from any subsidiaries of the Cooperative and other non-operating margins of the Cooperative, but not including patronage capital from its cooperative wholesale power supplier or lenders.

Section 5. Classification of Business. With respect to the furnishing of electric energy, and the allocation of capital credits in connection therewith, the board may classify the business done by the Cooperative with all of its patrons into classes of business and patronage. Such classification shall be based on factors relating to the cost of rendering service and the rates lawfully chargeable in connection therewith in accordance with reasonable accounting, engineering and utility standards and practice. The board may apply to such classes of business formulas designed to equitably determine for each class so established any amounts paid by patrons within such class in excess of the costs of service for such class. In developing such formulas and determining the respective amounts of capital so furnished by all patrons within such classes the board shall give regard to the level of capital contributed by each such class of business during the current or any prior fiscal year so as to equitably adjust the aggregate capital accounts between and among classes of business. If the receipts from every class of business in any year exceed the costs and expenses allocable and chargeable thereto, then the excess of receipts over expenses for each class of business shall be allocable to each such class as capital credits and to patrons within each such class on a dollar patronage basis. If, however, the costs and expenses chargeable or allocable against any one or more classes of business exceed the receipts from all patrons within such class or classes of business, then such deficit shall be charged against the patronage margins otherwise assignable to any remaining class or classes of business, on a dollar volume patronage basis, so that in no year shall there be credited to patrons as patronage capital an amount greater than the excess of receipts from all patrons over the costs and expenses of doing business with all patrons. All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to, any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. In the event patronage from any patron falls into two or more classes of business, capital credits assigned to such patron shall be the net amount of the capital credits determined after debiting and crediting such patron's account with all patronage debits and credits from all such classes of business.

Section 6. Retirement of Patronage Capital on Dissolution or Liquidation or Prior Thereto on Revolving Basis. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, 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 shall not be impaired thereby, the capital then credited to patrons accounts may be retired in full or in part. After

March 28, 1987, the board of directors shall determine under rules of general application the method, basis, priority and order of retirement, if any, for all amounts theretofore or thereafter furnished as capital.

Section 7. Assignment of Patronage Capital. Except as provided in Sections 9, 10 and 11 hereof, capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

Section 8. Prior Retirement to Estates of Deceased Patrons. Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credit to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credits to any such patron immediately upon such terms and conditions as the board of directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. The board is authorized, but not required to provide for prior retirements to surviving joint tenancy patrons and to heirs of deceased patrons on the same basis as retirements hereunder may be made to estates of deceased patrons.

Section 9. Security Interest in Patronage Capital. The Cooperative shall have a continuing security interest in the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the Cooperative. The patron shall execute such documents as the Cooperative may request to create and perfect this security interest. The rights of the cooperative under the security interest hereby granted may be exercised in the event of the default in payment by the patron of the patron's obligations, or in the event of the bankruptcy of the patron, and such indebtedness of the patron shall be subtracted from the capital allocated and credited to the patron in any retirement thereof made hereunder to said patron or to his estate, heirs, or surviving joint member(s).

Section 10. Assignment to Federated Youth Foundation, Inc. Any patron may assign all or any portion of the patronage capital now or hereafter expected to be credited to him pursuant to this Article VII to Federated Youth Foundation, Inc., a charitable tax exempt trust, effective as of the date of assignment subject to the Cooperative's prior lien for unpaid charges under Section 9 of this Article.

Section 11. Forfeiture of Unclaimed Funds.

- (a) The Cooperative shall effect the forfeiture of all unclaimed funds, including all forms of distributions or capital credits, membership fees, deposits, and dividends, and shall do the following in connection therewith:
 - (1) no earlier than three years and no later than five years after the funds are first made available to the owners, the board of directors shall declare the funds forfeited to the Cooperative unless claimed by a specified date.
 - (2) after the declaration of forfeiture, the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least 60 days after the mailing of the notice.

- (3) the notice under paragraph (2) shall be mailed to the last known address of each owner and shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
 - (4) the Cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (2) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the board of directors determines, within one year after the date the funds are declared forfeited under paragraph (1). Educational purposes shall not include political purposes as defined in section 11.01 (16) Wisconsin Statutes.
- (b) At any time subsequent to a forfeiture under this bylaw, the owner of forfeited funds may submit a claim to the board of directors and if the board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person.
- (c) The board of directors may establish a reasonable reserve for payment of claims, which reserve shall be credited to patrons in accordance with the ratio which their patronage bears to total patronage. This reserve shall be reimbursed for claims charged thereto, out of funds subsequently declared forfeited.

Section 12. Subscription to WISCONSIN ENERGY COOPERATIVE NEWS and TAYLOR REPORT. The Cooperative, through action of its board of directors, is authorized in the name and on behalf of each member of the Cooperative to subscribe for the WISCONSIN ENERGY COOPERATIVE NEWS and the TAYLOR REPORT. The expense of such subscriptions for all members shall be such amount per month as shall be from time to time determined by the board and shall be charged to the aggregate of capital deposited by members under Section 2 of this Article for electric service in the same manner as are charged other appropriate expenses of the Cooperative.

Section 13. Contractual Obligations. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws, and of the policies, rules and regulations adopted by the board of directors, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Section of the bylaws shall be called to the attention of each patron of the Cooperative by posting same in a conspicuous place in the Cooperative's office.

ARTICLE VIII DISPOSITION OF PROPERTY, MERGER AND PROCEDURE FOR SALE OF ALL OR SUBSTANTIALLY ALL OF THE COOPERATIVE PROPERTY

Section 1. Disposition of Property in General. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or what in the judgment of the board of directors constitutes any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided however, that notwithstanding anything herein contained, the board of directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to borrow money, and in connection with such borrowing 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 Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of directors shall determine to secure any indebtedness of the Cooperative.

Section 2. Merger. This cooperative may merge or consolidate with one or more other electric cooperatives upon compliance with the provisions of law relating thereto. If the other cooperative or cooperatives with which this cooperative proposes to merge or consolidate is or are electric cooperatives organized and existing under Chapter 185 of the Wisconsin Statutes, and such other cooperative or cooperatives has or have been engaged in producing or furnishing electric power to its or their members at cost and without profit for at least two years prior to such merger or consolidation, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. Likewise, if this cooperative proposes to merge or consolidate with an electric cooperative which is an entity resulting from merger or consolidation of other electric cooperatives meeting the qualifications set forth above, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. If the proposed merger or consolidation is with one or more organizations not meeting the foregoing qualifications, approval of the plan of merger or consolidation shall require the affirmative vote of not less than two-thirds of all members of the Cooperative.

Section 3. Procedure for the Sale of all or Substantially all of the Cooperative Property. If at any time the Cooperative shall receive an offer to buy, lease, transfer to or take by assignment, all or substantially all of its property from a person or organization which is other than an electric cooperative organized under Chapter 185 of the Wisconsin Statutes which has been engaged in producing or furnishing electric power to its members at cost and without profit for at least two years prior thereto, or other than an entity resulting from the merger or consolidation of electric cooperatives meeting the foregoing qualifications, it shall be the duty of the board of directors, and it is authorized to determine, in its sole discretion, whether or not such offer shall be submitted to the cooperative membership for a vote. The board of directors shall base its decision on what it considers to be in the best interest of the Cooperative and its members. Among other factors, it shall consider what it believes would be the effect of a sale, lease, transfer or assignment on the dependability and adequacy of services necessary to meeting the present and future needs of its members and the rates to be charged therefor. If the board of directors shall determine that such offer shall be submitted to the membership it shall first adopt a resolution to that effect.

ARTICLE IX FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these bylaws, the board may authorize any officer or officers, agent or agents, employee or employees of the Cooperative 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 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 and/or countersigned 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 3. Deposits and Investments. All funds except petty cash of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the board may select. Nothing herein shall be deemed to prohibit the board from extending loans to members for proper purposes in the interest of the Cooperative.

Section 4. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE X MISCELLANEOUS

Section 1. Membership in Other Organizations.

- (a) Membership: The Cooperative shall not become a member of any other organization without a two-thirds (2/3) vote of the board of directors or an affirmative vote of the members at a meeting called as provided in these bylaws, and the notice of said meeting shall specify that action will be taken upon such proposed membership as an item of business. The board of directors shall advise the members, at the next membership meeting, of all organizations joined pursuant to action of the board of directors since the last membership meeting.
- (b) Delegates: No member shall be eligible to represent this Cooperative as a delegate to any organization of which this Cooperative is a member, who is not receiving electric service from the Cooperative at his or her place of permanent residence.
- (c) Any Cooperative employee may represent the Cooperative as a delegate if so designated by the board of directors in various organizations of which the Cooperative is a member.

Section 2. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 3. Contributions. The board of directors shall have the power, in furtherance of the Cooperative's responsibility as a business citizen and in furtherance of the general welfare of the citizens of the community in which it operates, to make reasonable contributions of funds, deemed to be in the interest of the general public, as well as the members, provided, that such contributions shall be non-political and non-sectarian in nature, and where applicable the purpose for which such contribution is made shall be non-discriminatory and shall benefit the members of the Cooperative as well as the general public without regard to race, color or creed;

Section 4. Seal. The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal".

ARTICLE XI INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

To the extent permitted by law, the Cooperative shall indemnify an individual against liability and expenses incurred in any proceeding in which the individual was joined as a party because of his/her service at anytime as an officer or director of this Cooperative, and shall indemnify employees to the same extent permitted for officers and directors. Entitlement to indemnification shall be determined by majority vote of the disinterested directors. If a quorum cannot be obtained, then the determination shall be made by a majority vote of a committee duly appointed by the board of directors or by independent legal counsel selected by the board. The board may in any event refer the matter to the members for their determination by majority vote at a meeting of the disinterested members duly called and held. The Cooperative may maintain insurance covering this undertaking, and the scope of the coverage may be broader than the scope of the undertaking described here.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained (a) a copy of the proposed alteration, amendment or repeal or (b) a summary of the change and notification that a copy of the text of the change is available on request or on the Cooperative's website. Such adoption, alteration, amendment or repeal may be adopted by a majority of the member votes cast at a meeting, provided, however, that amendment of the required majorities set forth in Article VIII ("Disposition of Property, Merger and Procedure for Sale of All or Substantially All of the Cooperative Property") shall require the affirmative vote of not less than that majority proposed to be amended.