



**ARTICLES OF INCORPORATION and BYLAWS**  
COOPERATIVE LIGHT AND POWER ASSOCIATION OF LAKE COUNTY  
P.O. Box 69, Two Harbors, Minnesota 55616

Revised April 10, 1976  
Amended April 5, 1986  
Amended April 25, 1992  
Amended April 24, 1993  
Amended February 19, 2004  
Amended April 25, 2012  
Amended April, 18, 2018  
Amended September 9, 2020  
Amended April 12, 2025

**AMENDED AND RESTATED ARTICLES OF INCORPORATION:**

~~We, the undersigned persons of full age, acting for ourselves as individuals, for the purpose of forming a cooperative association under and pursuant to the provisions of Chapter 326, Laws of Minnesota, 1923, and laws amendatory thereof, and supplementary thereto, do hereby associate ourselves as a body corporate and adopt the following Articles of Incorporation:~~

**Commented [CF1]:** This was deleted as the statute reference is outdated and there is no need for this language.

**ARTICLE 1**  
**NAME**

~~The name of the cooperative shall be Cooperative Light & Power Association (hereinafter, the "Cooperative").~~

**Commented [CF2]:** Changing the name to what is commonly used and changing association to cooperative—the bulk of this language was already included.

**ARTICLE 2**  
**PURPOSE**

~~Section 2.1. The conduct of the business of the Cooperative shall be conducted upon the cooperative plan and is intended to be a cooperative within the meaning of and subject to Minnesota Cooperative law, *Minnesota Statutes* Chapter 308A, as amended. The Cooperative shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to, or conferred upon, cooperatives under Minnesota law as now or hereafter in force, and such additional powers as not restricted by law.~~

**Commented [CF3]:** Rewording language that was found in prior Article 1, Section 2.

~~Section 2.2. The general purposes of the Cooperative are to sell, provide, deliver, furnish, and/or distribute electric energy and other services to its members and patrons and to engage in any other lawful business.~~

**Commented [CF4]:** Modifying language previously found in Article 1, Section 2 and adding "other lawful business" so as not to restrict what the coop is able to do.

~~Section 1. The name of this Association shall be: THE COOPERATIVE LIGHT & POWER ASSOCIATION OF LAKE COUNTY~~

~~Section 2. The conduct of the business of this Association shall be upon the cooperative plan and the general nature of its business and the purpose or purposes for which it is formed are:~~

- ~~(a) To generate, manufacture, purchase, acquire, and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy to its members; and to construct, erect, purchase, lease and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purpose;~~

~~(b) To assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and to receive, acquire, endorse, pledge, hypothecate and dispose of notes and other evidences of indebtedness;~~

**Section 2.3. The Cooperative shall have the power:**

- (ea) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of ~~this assoeiation~~ **the Cooperative**;
- (db) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, sell, exchange and use any and all real and personal property or any interest therein necessary, useful or appropriate to enable ~~this Association~~ **the Cooperative** to accomplish any and all of its purposes;
- (eC) To borrow money and otherwise contract indebtedness for the purposes, or any of them, for which ~~this the Association~~ **Cooperative** is formed, and to issue notes, bonds, and other evidences of indebtedness and to secure any of its obligations by mortgage, pledge or deed of trust of all or any of its property, assets, franchises and income;
- (f) To sell and convey, mortgage, pledge, lease as lessor and otherwise dispose of all or any part of its property and assets as allowed by law;
- (g) To do and perform either for itself or its members, any and all acts and things, and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by ~~the Act under which this Association is formed~~ law; provided, however, that the conduct of the business of ~~this the Association~~ **Cooperative** shall be upon the cooperative plan.

The enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers of ~~this the Association~~ **Cooperative**, and ~~this the Association~~ **Cooperative** shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred ~~upon associations of the character of this Association~~ by the laws of the State of Minnesota now or hereafter in force.

**ARTICLE 3**  
**PRINCIPAL PLACE OF BUSINESS**

~~The registered office and principal place of transacting the business of the Cooperative is 1554 Highway 2, Two Harbors, Minnesota 55616.~~

~~Section 3. The principal place of transacting business of this Association shall be in the County of Lake and State of Minnesota.~~

**ARTICLE H4**  
**DURATION**

The period of duration of ~~this the Association~~ **Cooperative** shall be perpetual.

**ARTICLE H5**  
**MEMBERSHIP**

~~Section 5.1. This The cooperative~~ **Cooperative** shall be organized on a membership basis and without capital stock, non-stock-basis. There shall only be one class of membership. No person and/or entity may hold more than one membership in the Cooperative

~~Section 5.2. Each membership in the Association~~ **Cooperative** shall have only one vote in the affairs of ~~this the Association~~ **Cooperative** and such memberships shall not be transferable except with the approval and consent of the Board of Directors of ~~this the Association~~ **Cooperative**.

**Commented [CF5]:** This is deleted primarily for liability reasons and it is outdated language. We don't want to be responsible for wiring.

**Commented [CF6]:** Adding the legal address of the cooperative.

**Commented [CF7]:** Clarifying language that there is no stock, that there is only one class of membership, and no individual or entity can own more than one membership.

Section 5.3. Each member shall be bound by these Articles, the Bylaws, applicable law, and the rules, policies applicable to members as published by the Board of Directors, and regulations adopted by the Board of Directors of the Cooperative, as amended from time to time, as though each member had individually signed a separate instrument containing such terms and provisions. The Cooperative shall provide a copy of these Articles and Bylaws to a member upon request at the Cooperative's principal place of business. The Articles, the Bylaws, and the rules and policies applicable to members shall constitute a contract between the Cooperative and its members.

Section 5.4 The Bylaws of the Cooperative define and fix the duties and responsibilities of the members, as well as the officers and directors of the Cooperative, and may also contain any other provision for the regulation of the business and affairs of the Cooperative not inconsistent with these Articles or the laws of the State of Minnesota.

**Commented [CF8]:** Similar language in Section 5.3 was in Article III in the prior version.

Section 5.4 is essentially the same language as found in Article VI, Section 3 of the prior version.

## **ARTICLE 6** **PATRONAGE**

Section 6.1. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

**Commented [CF9]:** This language combined the two paragraphs immediately below.

~~Section 3. No interest or dividends shall be paid upon any membership issued by the Association.~~

~~Section 4. The Association 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 Association on any capital furnished by its patrons.~~

Section 6.2. In the furnishing of electric energy, the Association's Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Association Cooperative. In order to induce patronage and to assure that the Association Cooperative will operate on a non-profit basis the Association Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs, and expenses, capital reserves, or additional reserves properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Association Cooperative is obligated to pay-allocate by credits to a capital account for each patron-member all such amounts in excess of operating costs and expenses. The books and records of the Association 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 patron-member is clearly reflected and credited in an appropriate record to the capital account of each patron-member, and the Association Cooperative shall within a reasonable time after the close of the fiscal year notify each patron-member of the amount of capital so credited to said patron's-member's account. All such amounts credited to the capital account of any patron-member shall have the same status as though they had been paid to the patron-member in cash in pursuance of a legal obligation to do so and the patron-member had then furnished the Association Cooperative corresponding amounts for capital.

Section 6.3. In the event of dissolution or liquidation of the Association Cooperative, after all outstanding indebtedness of the Association Cooperative shall have been paid, and any membership application fees returned, outstanding capital credits shall be retired without priority on a pro rata basis. If at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Association Cooperative will not be impaired thereby, the capital then credited to patrons'-members' accounts may be retired in full or in part, within the discretion of the Board of Directors. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all such accounts heretofore and hereafter furnished as capital. In no event, however, shall any capital be retired contrary to the provisions of any unsatisfied mortgage and related loan contract. Provided, however, that the board of directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons-members which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall (a)

establish a method for determining the power supply portion of capital credited to each ~~patron-member~~ for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's ~~patrons-members~~, (c) provide for appropriate notifications to ~~patrons-members~~ with respect to the power supply portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to ~~patrons-members~~ for any fiscal year prior to the general retirement of other capital credited to ~~patrons-members~~ for the same year or of any capital credited to ~~patrons-members~~ for any prior fiscal year.

~~Section 6.4.~~ Capital credited to the account of each ~~patron-member~~ shall be assignable only on the books of the ~~Association-Cooperative~~ pursuant to written instructions from the assigner and only to successors in interest or successors in occupancy in all or a part of such ~~patron's-member's~~ premises served by the ~~Association-Cooperative~~ unless the board of directors, acting under policies of general application, shall determine otherwise.

~~Section 6.5.~~ The ~~board-Board~~ of ~~directors-Directors~~, at its discretion, shall have the power at any time upon the death of any ~~patron-member~~, if the legal representative of said ~~patron's-member's~~ estate shall request in writing that the capital credited to any such ~~patron-member~~ be retired prior to the time such capital would otherwise be retired under the provisions of these Articles, to retire capital credited to any such ~~patron-member~~ immediately upon such terms and conditions as the ~~board-Board~~ of ~~directors-Directors~~, acting under policies of general application, and the legal representatives of such ~~patrons-member's~~ estate shall agree upon; provided, however, that the financial condition of the ~~Association-Cooperative~~ will not be impaired thereby.

~~The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of the articles of incorporation and by-laws shall constitute and be a contract between the Association and each patron, and both the Association 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 article shall be called to the attention of each patron of the Association by posting in a conspicuous place in the Association's office.~~

Commented [CF10]: The essence of this language is now in Section 5.3.

~~Section 6.6.~~ In the event that the ~~Association-Cooperative~~ should engage 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 or services shall insofar as permitted by law, be used and applied at the discretion of the Board of Directors as follows: 1. ~~Be-be~~ retained as permanent equity; or 2. ~~Allocated-allocated~~ as margins to members of the Cooperative.

#### ARTICLE IV

The names and residences of the ~~original~~ incorporators of this Association are:

1. Emil Westholm      Route #1, Two Harbors, MN
2. A. Giddings        Route #1, Two Harbors, MN
3. Wm. Hill            Larsmont, MN
4. Charles Elving     Route #1, Two Harbors, MN
5. Torstein Grinager   Two Harbors, MN

#### ARTICLE ~~7~~ BOARD OF DIRECTORS

~~Section 7.1.~~ The ~~government of this Association and the management of its~~ affairs and business ~~of the Cooperative~~ shall be vested in a Board of Directors, consisting of five (5) members, who shall be elected by ballot by the members for such terms as the ~~By-Laws-Bylaws~~ may prescribe at the Annual Meeting of the members, ~~which shall after the year 1965 be held not earlier than the fourth Saturday of March or later than the fourth Saturday of April, unless the board, in their sole and reasonable discretion, deem it necessary and prudent to schedule at a later time and in a manner to be determined, of each year at a time and place designated by the Board of Directors.~~ Any vacancy occurring in the Board of Directors may be filled by the remaining members of the Board of Directors, except if otherwise provided by law or the ~~By-Laws of this Association-Bylaws~~, and any person elected to fill any such vacancy shall hold office until

Commented [CF11]: This language is deleted to give the board broader discretion with regard to the annual meeting.

the next Annual Meeting of the members and until his or her successor shall have been elected and shall have qualified.

~~Section 2.~~ The names and places of residence of those who shall compose the first Board of Directors and who shall hold office until the first Annual Meeting of the members and until their successors shall be elected and shall have qualified are as follows:

- ~~1. Emil Westholm~~ Route #1, Two Harbors, MN
- ~~2. A. Giddings~~ Route #1, Two Harbors, MN
- ~~3. Wm. Hill~~ Larsmont, MN
- ~~4. Charles Elving~~ Route #1, Two Harbors, MN
- ~~5. Torstein Grinager~~ Two Harbors, MN

~~Section 7.23.~~ The Board of Directors shall have the power to make and adopt such rules, policies, and regulations, not inconsistent with these Articles, ~~of Incorporation or the By-Laws~~ Bylaws, of this Association or the laws of the State of Minnesota, as it may deem advisable for the management, administration and regulation of the business and affairs of this Association.

~~Section 7.3.~~ The board of directors is authorized to do and perform for either itself or its members any and all acts and things and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the purposes of the Cooperative as may be permitted by applicable law under which the Cooperative is formed.

~~Section 7.4.~~ Members of the Board of Directors shall have no personal liability to the Cooperative or its members for monetary damages for breach of fiduciary duties as a Director, except that this article shall not limit or eliminate a Director's liability:

- (a) for a breach of the Director's duty of loyalty to the Cooperative or its members;
- (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) for a transaction for which the Director derived an improper personal benefit; or
- (d) for an act or omission occurring prior to the date the Cooperative adopted these limitations on Director's liability.

~~Section 7.5.~~ The Board of Directors shall have full power and authority to authorize the execution and delivery of mortgages, security agreements, or other security instruments upon, or otherwise pledge and encumber, any or all of the property and assets of the Cooperative to include all revenues and income of the Cooperative, all upon such terms and conditions as the Board of Directors shall determine in its discretion as necessary and appropriate to secure any indebtedness of the Cooperative.

## ARTICLE 8 INDEBTEDNESS

The highest amount of indebtedness to which the Cooperative shall at any time be subject shall be established by the board of directors through a duly enacted resolution.

## ARTICLE VI

~~Section 1.~~ Any natural person, or legal business entity, may become a member of this Association by:

- ~~(a) Having its written application for membership approved by the Board of Directors;~~
- ~~(b) Paying the membership fee as determined by the Board of Directors;~~
- ~~(c) Receives and pays the Association its fixed charge for electric services availability;~~
- ~~(d) Agreeing to comply with and be bound by the Articles of Incorporation, By-Laws of the Association, and any rules, regulations and policies of the Association, and any amendments thereof or additions thereto; and~~
- ~~(e) Agreeing to pay all debts owing to the Association whenever they become due.~~

**Commented [CF12]:** This language is added to set the duties and responsibilities of the Board and limiting the Board's liability.

**Commented [CF13]:** This language is added to make it clear that the Board has the authority to set the amount of indebtedness.

~~Section 2. Each member shall;  
(a) Purchase the minimum amount of electric energy which such member has agreed to purchase from this Association after such electric energy will have become available for use;  
(b) Pay all obligations owing to this Association as and when the same become due; and  
(c) Comply with such rules and regulations as may be adopted by the Board of Directors of this Association.~~

**Commented [CF14]:** Some of this language is now found in Article 2 of the Bylaws.

~~Section 3. The By-Laws of this Association may define and fix the duties and responsibilities of the members, officers and directors and may also contain any other provision for the regulation of the business and affairs of this association not inconsistent with these Articles of Incorporation or the laws of the State of Minnesota.~~

**Commented [CF15]:** The essence of this language is now found in Section 5.4 of the Articles.

**ARTICLE ~~VII~~  
AMENDMENT OF ARTICLES**

~~The Articles may be altered, amended, or repealed by the affirmative vote of a majority of the members of the Cooperative present in person or voting by other permitted means at any regular or special meeting of the Cooperative's members at which a quorum of the members is registered as being present or represented as present by other permitted means, provided, these Articles shall not be altered, amended, or repealed at any meeting of the members unless notice of such proposed alteration, amendment, or repeal shall have been contained in or provided along with the notice of any such meeting.~~

**Commented [CF16]:** The struck language is proposed to be taken out. Language is unnecessary after review.

~~This Association reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.~~

**Commented [CF17]:** This language is modified to make it more clear on how the Articles are amended.

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

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**AMENDED AND RESTATED BYLAWS  
OF  
COOPERATIVE LIGHT & POWER ASSOCIATION~~BY-LAWS:~~**

**ARTICLE 1  
GENERAL**

~~Section 1.1. Adoption. These Amended and Restated Bylaws of Cooperative Light & Power Association (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.~~

**Commented [CF18]:** This language was added based on the proposed adoption date of the Bylaws.

~~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.~~

**Commented [CF19]:** This language was added to state that the Articles control over the Bylaws.

**ARTICLE 12—  
Membership/MEMBERSHIP**

**Section 2.1. Requirements for Membership.** Any natural person, or legal business 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.”, requesting or desiring electric service from Cooperative Light & Power and Power Association of Lake County (Cooperative) shall become a member of the Cooperative provided that said party has first:

**Commented [CF20]:** Modified language—if someone can't enter into a legally binding agreement, can't be held to that agreement.

**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.

**Commented [CF21]:** This essentially reiterates the requirements from the Articles that members comply with the Articles, Bylaws, and policies.

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

**Commented [CF22]:** Added language to require the member to sign the application—not just complete

- (a) Made a written application for membership therein and the application is approved by the Board of Directors (Board); the form of the Membership Application shall be prescribed and amended from time to time by the Board of Directors complete and sign a membership application provided by the Cooperative;
- (b) Receives and pays pay the Cooperative its fixed charge for electric services availability;
- (c) Agreed to comply with, and be bound by, the Articles of Incorporation and By-Laws/Bylaws of the Cooperative and any rules, policies applicable to Members as published by the Board of Directors, and regulations adopted by the Board from time to time;
- (d) Paid the membership fee as determined by the Board; and
- (ed) Agrees/agree and continues 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) No not member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these By-Laws/Bylaws. Further, no more than one membership shall be allocated to any one general service meter or electrical services contract;
- (h) Each member shall, upon being requested to do so by the Cooperative, furnish to the Cooperative access to and execute and deliver to the Cooperative grants of easement or right-of-ways over, on, and/or under such lands owned or leased, by or mortgaged to by the member/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/Member or other members/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;

**Commented [CF23]:** Added this language to broaden the scope.

(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 joint Membership-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~~Member" as used in these By-Laws shall be deemed to include those holding a Joint joint Membership-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~~ Any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a Joint joint Membership-membership shall be as follows:

**Commented [CF24]:** Word added to broaden the scope.

**Commented [CF25]:** Language added to broaden the scope.

**Commented [CF26]:** Adding language to the member requirements (note not all language mentioned below).

Have to pay debts owed to CLP prior to members and pay for the energy they purchase/consume.

Clarifying that easements run with the land (meaning that if you sell your property, the easement binds the new buyer).

Allowing CLP to operate, maintain, repair, etc. its facilities.

Granting CLP the right to manage vegetation and obstructions that are a danger to CLP's facilities.

Compliance with the National Electrical Code.

Indemnification by the member as a result of the Member's or their agents negligence, improper use of their premises or wiring.

Allowing CLP to have attachments on its facilities. .

Giving CLP the right to communicate with the members with automatic dialing



- (a) ~~The~~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~~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~~a ~~Waiver~~waiver of ~~Notice~~notice signed by either or both shall constitute a joint waiver;
- ~~(d) Notice~~notice to either shall constitute a notice to both;
- ~~(e) Expulsion~~expulsion of either shall terminate the joint membership;
- ~~(f) Withdrawal~~withdrawal of either shall terminate the joint membership; **and**
- (g) ~~Any~~any one party to a joint membership, but not more than one, may be elected or appointed as a board member, 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 petition, 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 petition, 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; and
- (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.

**Commented [CF27]:** Language added clarifying how joint membership works.

Section 3. Conversion of Membership.

- ~~(a) A membership may be converted to a joint membership upon written request to the Board and the approval of the Board thereof.~~
- ~~(b) Upon the death or dissolution of any of the parties in a joint membership, the membership shall be held solely by the survivors of that joint membership. The estate of deceased or dissolved joint members shall not be released from any debts or obligations due the Cooperative.~~
- ~~(c) A joint membership may be converted to a membership upon written request to the Board.~~
- ~~(d) Upon legal separation or dissolution of marriage of a natural joint membership, such membership shall continue to be held solely by the one who continues directly 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 the other spouse shall not be released from any debts or obligations due the Cooperative.~~

**Commented [CF28]:** Most of this language was added directly above.

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

Section 42.5. Purchase of Electric Energy. Except as applicable federal and state statutes and regulations may require, each ~~member~~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~~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~~Members as capital and each ~~member~~Member shall be credited with the capital so furnished as provided in these ~~By-Laws~~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~~from time to time. Each ~~member~~Member shall also pay all amounts owed the Cooperative as and when the same shall become due and payable.

Section 52.6. Termination of Membership.

(a) Any ~~member-Member~~ may withdraw from membership upon payment in full of all debts and liabilities of such ~~member-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-Member~~ who violates any laws, rules, and/or regulations that impact the Cooperative, fails to comply with any of the provisions of the Articles of Incorporation, By-Laws/Bylaws, policies applicable to Members as published by the Board of Directors~~olicies~~, rules, rates, or regulations adopted by the Board of Directors, including non-payment policies, but only if such ~~member-Member~~ shall have been given written notice by the Cooperative that such failure makes the ~~member-Member~~ liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. An expelled ~~member-Member~~ may be reinstated by a majority vote of the Board of Directors or by two-thirds majority vote of the ~~members-Members present-eligible to vote~~ at an annual or special meeting.

~~(e)~~ Upon withdrawal, notification of death, cessation of existence or expulsion of a ~~member-Member~~, the membership of such ~~member-Member~~ shall terminate. Termination of membership in any manner shall not release the ~~member-Member~~, or the estate, administrator, heirs, receivers or successors, from any debts or obligations due the Cooperative.

Section 62.7. Non-Liability for Debts of the Cooperative. The private property of the ~~members-Members~~ shall be exempt from execution or other liability for the debts of the Cooperative and no ~~member-Member~~ shall be liable or responsible for any debts or liabilities of the Cooperative.

Section 72.8. 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 By-Laws/Bylaws, the remaining property and assets of the Cooperative shall be distributed among such ~~members-Members~~ and former ~~members-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 8. Member Responsibilities. Once membership has been granted, each member shall:~~

~~(a) Upon request by the Cooperative, grant Cooperative permission without compensation thereof, a defined easement or right-of-way over, above, across or under the real property owned or leased by or mortgaged to or otherwise controlled by the member, in accordance with such reasonable terms and conditions as the Cooperative shall require, for the purpose of furnishing electric and other service and for the construction, operation, maintenance and repair (including the clearing of brush and trees in this easement) and/or relocation of the Cooperative's facilities or to extend such services to other members;~~

~~(b) Give the Cooperative rights to cut, trim and/or remove any trees that in the discretion of the Cooperative, or of its agents or assigns, would be a danger to its facilities, even if such tree is outside of an easement granted;~~

~~(c) Cause all premises receiving electric service from the Cooperative to become and remain wired in accordance with the specifications of the National Electric Code and the National Electric Safety Code, any applicable state or local government ordinances and statutes, or the specifications of the Cooperative;~~  
~~he specifications of the Cooperative;~~

~~(d) Be responsible for and indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage arising from or as a result of any defect, negligence or improper use or maintenance of such premises and all wiring and apparatus connected thereto or use thereon; and~~

~~(e) 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 and other service used on the premises and to other members, shall permit Cooperative's authorized employees, agents and independent contractors to have access hereto and without interference from any hostile source 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;~~

Commented [CF29]: This was all added to Section 2.3.

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.

**Commented [CF30]:** Language added to set forth the obligations of member equipment connected to CLP equipment. This language adds protection for CLP.

### **ARTICLE H3—Meeting of Members**

#### **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 board members, 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.

**Commented [CF31]:** This language protects CLP with regard to interruption of service and limits CLP's liability to members.

**Section 3.2. Notice of Annual Meeting.** Notice of the annual meeting shall be given by the secretary by publication in Lake County, Minnesota, at least two (2) weeks previous to the date of such meeting or by mailing written notice

**Commented [CF32]:** Added language to give the Board discretion with regard to how to hold the annual meeting and adding language about what happens if election is not held at annual meeting.

thereof to each and every member personally at the member's last known post office address not less than fifteen (15) days prior to the date of the 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 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. Notice of the time, place and purpose of a special meeting shall be given either by publication in the legal newspaper of Lake County, Minnesota, at least two (2) weeks previous to the date of such meeting or by mailing written notice thereof to each and every member personally at the member's last known address not less than fifteen (15) days prior to the date of such special meeting.

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. Such notice shall be issued within ten (10) days from and after the date of the presentation of the petition mentioned in Article II, Section 3, above. The special meeting shall be held within thirty (30) days from the date of such notice.

**Section 3.5. Failure to Receive Notice.** A member's 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 Association 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 Members so long as the total number of memberships does not exceed two hundred (200). In case the total number of memberships of this Association Cooperative exceeds two hundred (200), then and in such cases, not less than fifty (50) memberships, present in

**Commented [CF33]:** Adding and clarifying language regarding member meetings and special meetings. Language added to comply with statute.

person, ~~represented by mail ballot, or electronic vote/ballot~~, shall constitute a quorum for the transaction of business at all meetings of the ~~members~~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.~~

**Commented [CF34]:** Added quorum language that counts mail and electronic ballots toward the quorum requirements.

**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~~Members.

Any ~~member~~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~~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.~~

**Commented [CF35]:** Adding language to allow vote by mail and electronically for directors.

~~Each membership, may vote on changes to the Articles of Incorporation or By-Laws in such a manner as lawfully prescribed by the Board. For all other matters the membership must be present to vote.~~

~~—Any member present at an annual meeting may vote on all questions, motions and elections raised at that meeting.~~

~~Section 9. Voting List.~~ The Board Secretary shall make an alphabetical list of the members entitled to vote at the upcoming meeting, along with the member's address. The list shall be prepared at least fifteen (15) days prior to the meeting and shall be kept open at the time and place of the meeting where it may be inspected by any member.

~~Section 103.9. Order of Business.~~ The order of business at the annual meeting of the Members shall be determined by the Board of Directors. Annual Meeting of Members, and so far as possible at all other meetings of the members, shall be as follows:

- ~~1. Call of the roll;~~
- ~~2. Reading of the Notice of the Meeting together with the proof of the due publication or mailing thereof;~~
- ~~3. Presentation and reading of unapproved minutes of previous meeting;~~
- ~~4. Election of directors;~~
- ~~5. Presentation and consideration of reports of officers, directors and committees;~~
- ~~6. Unfinished business;~~
- ~~7. New business;~~
- ~~8. Adjournment.~~

~~The foregoing order of business may be changed by majority vote of the members in attendance and voting at such meeting. Unless, the members by majority vote of those in attendance and voting determine otherwise, Robert's Rules of Order shall govern all procedural questions and matters.~~

~~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 III—Directors** **DIRECTORS**

~~Section 4.1. General Powers.~~ The business and affairs of the Cooperative shall be managed under the direction of a Board of Directors~~board of five (5) Directors~~, which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation or these By-Laws~~Bylaws~~ conferred upon or reserved to the Members~~members~~. The Board of Directors shall have the power to make and adopt such policies, rules and regulations consistent with law, the Articles of Incorporation or these By-Laws~~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~~Director~~ all of these qualifications must be met:

- (a) Hold a membership in that district.
- (b) A natural person, who ~~had~~has their permanent legal residence within the district in which the Director is nominated or elected~~resided on the Cooperative's systems~~ for at least one (1) year prior to the meeting at which the Director is to be up for election. ~~residency is determined by meeting any one of the three (3) qualifications:~~
  - ~~(1) Driver's license or State I.D. reflecting an address on the Cooperative's system;~~
  - ~~(2) Homestead interest in real estate in the service territory of the Cooperative;~~
  - ~~(3) Has made application to the Board and the Board members have determined there are sufficient contacts and interest in the area served by the Cooperative system to be deemed a resident.~~
- (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.

**Commented [CF36]:** Language changed to give the Board discretion on the order of business at annual meeting.

**Commented [CF37]:** Modified language regarding Robert's Rules of Order governing all meetings of the Coop, not just member meetings. There was previously Robert's Rules of Order language immediately above.

**Commented [CF38]:** Modified language regarding permanent legal residence requirement to be a board member.

(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~~Director; provided, however, that such person shall not be eligible to become or remain a ~~director~~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~~Director may serve an unlimited number of three (3) year terms on the Board of Directors. A term shall begin immediately after the meeting the ~~director~~Director was elected or appointed.

**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 5 years to determine whether the number of Members in a district has materially changed. For the election of ~~directors~~Directors, each ~~member~~Member shall be deemed to belong in one district. That district shall be determined from the following criteria:

(a) The ~~member's~~Member's principal residence, or, if the Member is not a natural person, the Member's principal address.

(b) If a ~~member~~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~~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~~Member has determined to be that ~~member's~~Member's district. Such designation shall not be changed without prior Board of Directors' approval and the ~~member~~Member shall be eligible to be elected as a director of the Cooperative only from said district.

~~District No. 1. All that part of the system area lying in St. Louis County, more specifically described as: Townships 53N, 54N, 55N, 56N and 57N, in Range 13W and Townships 51N, 52N, 53N, 54N 55N, 56N and 57N in Range 12W and Townships 52N and 53N in Range 14W and Townships 52N and 53N in Range 15W.~~

~~District No. 2. All that area in Range 11 from Lake Superior North to the system boundary, described as follows: Townships 52N, 53N, 54N, 55N, 56N, 57N, 58N, 59N and 60N in Range 11 West.~~

~~District No. 3. All that area North of Lake Superior to the Northern boundary of the system in Ranges 9 and 10, described as follows: Townships 52N, 53N, 54N, 55N, 56N, 57N, 58N, 59N and 60N in Range 10 West and Townships 53N, 54N, 55N, 56N 57N, 58N, 59N and 60N in Range 9 West.~~

~~District No. 4. That part lying East of Range 9 and South of Township 57, described as follows: Townships 54N, 55N, 56N in Range 8 West and Townships 55N and 56N in Range 7 West.~~

~~District No. 5. All that area East of Range 9 and North of Township 56 to the North and East system boundaries, described as follows: Townships 57N, 58N, 59N and 60N in Range 8 West and Townships 57N, 58N, 59N and 60N in Range 7 West and Townships 57N, 58N, 59N and 60N in Range 6 West.~~

**Section 4.5. Nominations.** It shall be the duty of the Board of Directors to appoint, not less than thirty (30) days or more than ninety (90) days before the date of a meeting of the members at which directors are to be elected, a chairperson for the Nominating Committee. A Nominating Committee will be established for each district that will have a Director position up for election. Such chairperson shall be a member of the district in question. No officer or member of the Board of Directors shall be appointed a chairperson of such committee.

The Board shall also notify the members residing in the district in question of the time and place of the nominating meeting by appropriate notice in the Cooperative newsletter.

The business of the Nominating Committee shall be to nominate not more than two candidates for director. Each nominating meeting shall first decide by majority vote of those present the process by which nominees shall be determined. This list of nominations from each district shall be submitted to the principal office of the Cooperative at least twenty-five (25) days before the date of the annual meeting. Nominations may also be made from the floor at the

~~annual meeting by any member from the district in question provided notice of the intent to nominate candidates and the name of the candidate to be nominated, shall be provided in writing to the Cooperative at least 15 days prior to the annual meeting. All nominations must be of qualified candidates from the district in question. All nominations of the Nominating Committee and from the floor must be seconded. 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.~~

**Commented [CF39]:** Language modifying the nomination process. The changed language requires a petition process to be a candidate for the Board.

~~Section 4.6. Election of Directors. At the annual Annual meeting Meeting in each year, the membership shall vote to fill those director positions that have expired or have been vacated are vacant. These directors-Directors shall be elected by ballot from the members-Members to serve until their successors have been both elected and qualified subject to the provisions or unless otherwise terminated or vacated of these By-LawsBylaws. 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.~~

**Commented [CF40]:** Adding language that if there is only one candidate, that candidate is elected by acclamation so no need to have a vote--saves CLP time and money.

~~At all meetings of the Members at which a quorum is present, eEach membership present 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 a quorum of fifty (50) or more memberships is present from a district where a director is going to be elected, only those members of the district shall be allowed to vote for that director. Otherwise, all members eligible to vote at the annual meeting shall be eligible to vote for the director of that district. The nominee receiving the highest number of votes east shall be elected director. 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-Directors in a timely manner. Directors thus elected shall serve until the next annual Annual meeting Meeting. The remainder of the term will then be filled by vote of the membership using the usual method for the election of directorsDirectors. Vacancies shall be filled to comply with all other qualifications of becoming a board-Board memberMember. The Board of Directors may declare a vacancy if the Board member Member has missed three (3) consecutive regular board meetings or four (4) regular board meetings in any twelve monthtwelve (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-Board members-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-Board member-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 in 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

**Commented [CF41]:** New language regarding campaign finance disclosure. Requires candidates to report any help they get with a campaign from outside sources (do not have to report self-funded/no volunteer campaigns). Language also includes a mechanism for how complaints relating to campaign finance are handled.

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 IV~~5~~—Indemnification** **INDEMNIFICATION**

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

1. Were performed in their official capacity, and
2. were based upon what a reasonable person would deem to be good faith business judgments and
3. 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 V~~6~~—Meetings of Directors** **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, immediately after and at the same place as the annual meeting of members. A ~~Regular meetings~~ 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) time and place 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~~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~~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) time and place for the holding of the special meeting. A ~~director~~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~~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~~Director at any meeting shall constitute a waiver of notice of such meeting, except in case a ~~director~~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~~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~~ 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.

**Commented [CF42]:** Language added to allow Board action by written consent. This makes it easier to transact business between meetings if something comes up that needs to be acted upon.

## ARTICLE ~~V17~~—Officers 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 ~~of the Board~~. 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~~ 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 ~~By-Laws~~ 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~~ general, perform all duties incident to the office or 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~~ 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 ~~By-Laws~~ 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 ~~By-Laws~~ Bylaws;
- (d) Keeping a register of the names and post office addresses of all ~~members~~ Members.

- (e) Keeping on file at all times a complete copy of the Articles of Incorporation and ~~By-Laws~~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 ~~By-Laws~~Bylaws and of all amendments thereto any ~~member~~Member upon request; and
- (f) In ~~general~~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 ~~By-Laws~~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 ~~may shall~~ appoint a Chief Executive Officer (CEO) ~~also referred to as the General Manager (G.M.)~~ who may be, but who shall not be required to be, a ~~member~~Member of the Cooperative. ~~The CEO shall perform such duties and shall exercise such authority as the Board may from time to time bestow upon the CEO.~~ 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.

Commented [CF43]: Added language regarding the duties of the CEO.

Section 7.9. Bonds or Insurance of Officers. The ~~treasurer~~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.

Commented [CF44]: Added language allowing CLP to purchase insurance that covers the Board/Officers.

ARTICLE ~~VH8~~—Contracts, Checks, Deposits and Transactions  
**FINANCIAL TRANSACTIONS**

Section 8.1. Contracts. Except as otherwise provided in these ~~By-Laws~~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 VIII—MEMBERSHIP CERTIFICATES, THEIR ISSUE AND TRANSFER~~**

~~No interest or dividends shall be paid upon any of the Membership Certificates issued by this Association.~~

#### **~~ARTICLE IX—~~ 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 Association.~~ In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all ~~members~~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 usage-patronage basis to all its ~~members~~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~~Members as capital.

The Cooperative is obligated to assign by credits to a capital account for each ~~member~~Member all such amounts in excess of operating costs and expenses and to debit to such capital account for each ~~member~~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~~Member is clearly reflected and credited in appropriate records to the capital account of each ~~member~~Member. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each ~~member~~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~~Member, shall have the same status as though they had been paid to the ~~member~~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~~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'~~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~~Member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such member's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise and upon approval by the Board of Directors and within the Board of Directors' discretion.

Notwithstanding any other provision of these ~~By-Laws~~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~~Member or former ~~member~~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~~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~~Member has any unpaid balance owing to the Cooperative for more than 90 days, such former ~~member~~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~~Member and apply said discounted present day value towards any amounts owing to the Cooperative. The discounted ~~present day~~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~~owing to the Cooperative after application of any discounted ~~present day~~present-day value of capital credits shall remain a debt owed to the Cooperative and subject to collection and recoupment.

The ~~members~~Members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and ~~By-Laws~~Bylaws shall constitute and be a contract between the Cooperative and each ~~member~~Member and both the Cooperative and the ~~member~~Member are bound by such contract, as fully as though each ~~member~~Member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the ~~By-Laws~~Bylaws shall be called to the attention of each ~~member~~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 ~~By-Laws~~Bylaws shall ~~supereede~~supersede and replace prior Articles and ~~By-Laws~~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~~Members of the Cooperative

#### ARTICLE ~~X10~~— DISPOSITION OF PROPERTY

The ~~Association~~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 if such sale or transfer contemplates a sale of privileges and franchises of the Cooperative with no offsetting exchange of facilities, authorization therefore must first be obtained by the affirmative vote of ~~the holders of two-thirds~~ (2/3) of the ~~Members present in person or by other permitted means~~ Cooperative's total membership at a ~~members~~Members meeting duly called for that purpose or when authorized by a written consent of 2/3 of the Cooperative's ~~total membership issued and outstanding~~Members. Provided further, however, that notwithstanding anything herein contained, the Board of Directors without authorization by the ~~members~~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 ~~X11~~—





Secretary