



***ARTICLES OF INCORPORATION***  
**COOPERATIVE LIGHT & POWER**  
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:***

**ARTICLE 1**  
**NAME**

The name of the cooperative shall be Cooperative Light & Power (hereinafter, the “Cooperative”).

**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 (2024), 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.

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.

Section 2.3. The Cooperative shall have the power:

- (a) 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 the Cooperative;
- (b) 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 the Cooperative to accomplish any and all of its purposes;
- (c) to borrow money and otherwise contract indebtedness for the purposes, or any of them, for which the 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;  
(d) 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;  
(e) 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 law; provided, however, that the conduct of the business of the 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 the Cooperative, and the Cooperative shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred 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.

### **ARTICLE 4 DURATION**

The period of duration of the Cooperative shall be perpetual.

### **ARTICLE 5 MEMBERSHIP**

Section 5.1. The Cooperative shall be organized on a membership basis and without capital stock. 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 Cooperative shall have only one vote in the affairs of the Cooperative and such memberships shall not be transferable except with the approval and consent of the Board of Directors of the Cooperative.

Section 5.3. Each member shall be bound by these Articles, the Bylaws, applicable law, and the rules, policies applicable to members as published and adopted by the Board of Directors, 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 as well as policies and rules applicable to members 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 Articles and 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.

## **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.

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

Section 6.3. 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. 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 then credited to 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 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 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 members, (c) provide for appropriate notifications to 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 members for any fiscal year prior to the general retirement of other capital credited to members for the same year or of any capital credited to members for any prior fiscal year.

Section 6.4. Capital credited to the account of each member shall be assignable only on the books of the 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 member's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Section 6.5. The Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representative of said member's estate shall request in writing that the capital

credited to any such 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 member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Section 6.6. 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 or services shall insofar as permitted by law, be used and applied at the discretion of the Board of Directors as follows: 1. be retained as permanent equity; or 2. allocated as margins to members of the Cooperative.

Section 6.7. The names and residences of the original incorporators of this Cooperative 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 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 Bylaws may prescribe at the Annual Meeting of the members. 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 Bylaws, and any person elected to fill any such vacancy shall hold office until the next Annual Meeting of the members and until his or her successor shall have been elected and shall have qualified.

Section 7.2. The Board of Directors shall have the power to make and adopt such rules, policies, and regulations, not inconsistent with these Articles, the Bylaws, 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 Cooperative.

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 are necessary and appropriate to secure any indebtedness of the Cooperative.

## **ARTICLE 8 INDEBTEDNESS**

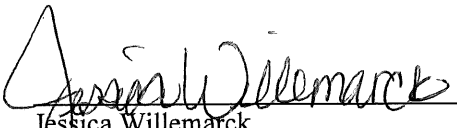
The highest amount of indebtedness to which the Cooperative shall at any time be subject shall be established by the Board of Directors through a duly enacted resolution.

## **ARTICLE 9 AMENDMENT OF ARTICLES**

The Articles may be altered, amended, or repealed by the affirmative vote of a majority of the members of the Cooperative 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.

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.

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

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