

**CROW WING  
POWER AND  
LIGHT COMPANY  
2025 BALLOT,  
SUMMARY AND  
COMPLETE TEXT  
OF ARTICLES OF  
INCORPORATION  
AND RESTATED  
BYLAWS.**

## Dear Crow Wing Power Member,

The ballot format allows digital scanning and tabulation of the ballot. Your ballot will be tabulated by Survey and Ballot Systems Inc., an independent election service in Eden Prairie.

Enclosed are your 2025 Official Ballot, a Secrecy Envelope to place your completed ballot in, return envelopes and candidate profiles.

### **INSTRUCTIONS FOR CASTING YOUR VOTE**

#### **Online:**

- **Vote** online by 10 a.m. on June 13, 2025. Go to [//www.directvote.net/cwp](http://www.directvote.net/cwp). Enter your individualized information printed on the detachable stub of the enclosed yellow return envelope marked “Official Ballot Use Only” and follow instructions given on the website.
- **QR Code:** From a mobile device, scan the QR code printed on the detachable stub of the enclosed yellow return envelope marked for “Official Ballot Use Only” and it will take you to your personal ballot page.
- **SmartHub:** Vote in the app or online.
  - App: Open your SmartHub app, login and click the “Vote Now” button.
  - Online: Login to your SmartHub account and click the “Vote Now” button.

## Mail:

- To be counted, mailed ballots must be sealed in the “Secrecy Envelope” and inserted into the final “Official Ballot Use Only” return envelope. Ballots must be received at the post office box designated on the yellow return envelope prior to 10:00 a.m., June 14, 2025. Read and follow directions carefully.
- Two official envelopes are enclosed: a white “Ballot Secrecy Envelope” and a yellow Business Reply Envelope marked “Official Ballot Use Only”.
- Upon completing your ballot, insert the ballot into the white “Ballot Secrecy Envelope” and seal this envelope.
- Insert the sealed white “Secrecy Envelope” into the yellow “Official Ballot Use Only” return envelope. Tear off and discard the large stub on the back. It has your name and personal information for your verification and use only. Once removed, the bar coding on the yellow envelope flap will identify you as the official voter. Seal and mail.

## Additional Details:

- Survey and Ballot Systems, an independent tabulation firm, is collecting and tabulating ballots. Security measures are in place to protect the confidentiality of your vote and to prevent duplicate voting.
- If you inadvertently vote both by paper and online, only the paper ballot will be counted.

**Two Important Dates:** Mailed ballots must be received at the post office box designated on the yellow return envelope or delivered in person at the Annual Business Meeting prior to 10:00 a.m. on June 14, 2025. Online ballots must be received by 10 a.m. June 13, 2025, one day prior to the meeting.

# **NOTICE OF ANNUAL MEETING FOR MEMBERS OF CROW WING COOPERATIVE POWER AND LIGHT COMPANY BRAINERD, MN**

The Annual Meeting for members of Crow Wing Cooperative Power and Light Company will be held at Brainerd Lakes Curling Club, 2000 SE 13th St, Brainerd, MN 56401, on Saturday, June 14, 2025. The Annual Business meeting will start at 10:00 a.m.

**Business on the agenda includes:**

1. The reports of Officers, Directors and Committees;
2. The election of three Directors;
3. Transaction of any other business that may properly come before this meeting.

Director election ballots, and this notice will be mailed to members in May.

**DATED: March 27, 2025**

/s/Bryan McCulloch  
Secretary

The annual meeting process and format are subject to change.

The Board of Directors of this Cooperative has approved the following resolution proposing an amendment and restatement of the Restated Bylaws:

WHEREAS, the Board of Directors has reviewed the Restated Bylaws and has found, by a majority vote of the Directors, that the Cooperative's Bylaws should be amended and restated to: (1) reduce the number of members required to call a special member meeting from twenty percent (20%) to five percent (5%); and (2) to require that all incumbent Directors be required to fulfill certain director education requirements in order to be eligible for re-election; and

WHEREAS, the Board of Directors concludes that restatement of the bylaws to include the above-described amendments will be in the best interest of the Cooperative;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors recommends to the members of the Cooperative for consideration at the next annual meeting of the members with voting in-person, by mail, and online, that the Bylaws be amended and restated in their entirety as follows: See attached.

The foregoing resolution is hereby adopted.

March 27, 2025

Bryan McCulloch, Secretary

## **SUMMARY STATEMENT OF THE PROPOSED REVISIONS OF THE RESTATED BYLAWS**

**General Comment:** The intent of the Restated Bylaws is (1) to reduce the threshold of members necessary to call a special members' meeting; and (2) to require all incumbent Directors to complete certain education and training regarding their duties in order to qualify for re-election. A summary of these proposed changes is provided below.

### **RESTATED BYLAWS**

#### **Article II. Members' Meetings.**

**Section 3. Special Meetings.** A special meeting of the members of the Cooperative may be called by a majority of directors, or upon written petition signed by at least five percent (5%) of the members.

#### **Article III. Directors.**

**Section 3. Qualifications.** In order to qualify for re-election to the Board, all incumbent directors will be required to obtain a Credentialed Cooperative Director designation, or similar educational certification, offered by the National Rural Electric Cooperative Association. This requirement applies only to incumbents; members seeking election to the Board of Directors who are not already sitting Board members will not be required to meet this requirement to be eligible for election.

#### **Recommendation.**

**The Board of Directors recommends approval of the Restated Bylaws.**

**Full Text of the Proposed Restated Bylaws Of  
Crow Wing Cooperative Power and Light Company**  
(Changes or additions indicated by underline,  
deletions by strike through.)

**RESTATED BYLAWS  
OF  
CROW WING COOPERATIVE POWER AND LIGHT  
COMPANY**

**ARTICLE I  
MEMBERS**

SECTION 1. DEFINITION OF MEMBER. Any person or legal entity may be a member.

SECTION 2. QUALIFICATIONS TO BE A MEMBER. Any natural person or legal entity having the capacity to enter into a legally binding contract may become a member of this Cooperative by purchasing electric energy furnished by this Cooperative, unless the person notifies the Cooperative in writing within 60 days that the person does not consent to membership. Each member shall comply with the Articles of Incorporation, these Bylaws, and such rules and regulations as may be adopted by the Board of Directors. In addition, each person or entity seeking to become a member shall provide the information and complete the procedure required by the Cooperative to establish a membership. For good cause determined by the Board of Directors, the Board may refuse a qualified person membership in the Cooperative.

SECTION 3. OBLIGATIONS. Each member shall:

- A. at prices, rates, or amounts determined by the Board, pursuant to terms, conditions, time, and manner specified by the Cooperative pay all obligations owing to this Cooperative as and when the same become due;

B. comply with such rules and regulations as may be adopted by the Board of Directors of this Cooperative;

C. furnish to the Cooperative reasonable access to and execute and deliver to this Cooperative grants of easement or right of way on or over lands owned by the member to be used for furnishing electric service to the member or other members or for the construction, operation and maintenance of the Cooperative's electric facilities. All such easements 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, and assigns. These grants shall be in accordance with such reasonable terms and conditions as the Cooperative shall require;

D. unless the board determines otherwise, an applicant automatically becomes a member of the Cooperative upon completing the membership procedure to the Cooperative's satisfaction and receiving cooperative electric service.

**SECTION 4. JOINT MEMBERSHIP.** Any two or more natural persons or legal entities, each of whom qualifies to be a member, may hold a joint membership in the Cooperative for a location to which the Cooperative provides electric service by jointly completing the membership application procedure required by the Board of Directors. Qualified persons become joint members of the Cooperative and consent to being joint members in the same manner as members become members and consent to being members. As provided by the Board, a member may convert the member's individual membership to a joint membership with a qualified person or legal entity. Upon the death of a joint member, all capital credit rights automatically transfer to the surviving joint



member or members. Any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. For a joint membership:

A. The presence at a meeting of one or more 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. Joint owners of a membership shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote of the members;

C. The absence of any one joint member from any annual or special meeting of the members, shall permit them to cast a vote by mail when permitted in these Bylaws;

D. A waiver of notice, petition, consent, or other document signed by any one of the joint members shall constitute a joint waiver or act;

E. Notice to any one of the joint members shall constitute notice to all;

F. Any one, but not more than one, may be elected or appointed as a director, provided that the qualifications for such office are met.

A joint membership shall cease when the requirements of joint membership are no longer met, and a joint member shall notify the Cooperative in writing in that event.

**SECTION 5. NON LIABILITY FOR DEBTS OF THE COOPERATIVE.** The private property of the members shall be exempt from execution for the debts of the Cooperative and no member shall be individually responsible for any debts or liabilities of the Cooperative.

**SECTION 6. WITHDRAWAL OF MEMBERSHIP.** Any member may withdraw from membership upon payment in full of all liabilities of such member to the Cooperative and upon compliance with such

terms and conditions as the Board of Directors may prescribe.

## SECTION 7. TRANSFER OF MEMBERSHIP AND TERMINATION OF MEMBERS.

A. Membership in the Cooperative shall be transferable only with the approval and consent of the Board of Directors except as provided in these Bylaws. Upon the cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate. Upon the death of a member leaving a surviving spouse, the membership shall be automatically transferred to the surviving spouse, pursuant to the rules and regulations of the Cooperative. If the decedent leaves no spouse, said membership shall terminate.

B. Upon a death, dissolution of marriage, legal separation, or other legal disassociation between joint members:

- (i) if a joint member continues to purchase electric energy furnished by this Cooperative at the same location, then the joint membership converts to a membership in the name of the joint member continuing to purchase electric energy furnished by this Cooperative at the same location;
- (ii) if neither joint member continues to purchase electric energy from the Cooperative at the same location, then the joint membership terminates.

C. Termination of membership in any manner shall not release the member or the member's estate from the debts or liabilities of such member to the Cooperative.

D. When a membership is held jointly, upon the death of either joint member, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership

had been originally issued solely to that surviving joint member; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

#### SECTION 8. PROVISION OF COOPERATIVE SERVICE.

A member shall comply with any reasonable procedure required by the Cooperative regarding the provision of Cooperative service, including, but not limited to, the following:

A. Based upon different costs of providing Cooperative service to different groups of members, the Cooperative may charge each group a different rate or price for providing the Cooperative service.

B. The Cooperative may construct, operate, relocate, reconstruct, and maintain an above or below ground electric distribution line or system on or under the member's property, and above or below the ground upon all streets, roads or highways abutting the member's property. The Cooperative may read, inspect, replace or maintain metering and load management control equipment.

C. The Cooperative may inspect and make such repairs, changes, alterations, improvements, removals from, substitutions and additions to its facilities as the Cooperative may from time to time deem advisable.

D. All the Cooperative's lines and facilities shall remain the property of the Cooperative.

E. The member shall keep the Cooperative's right of way clear of all buildings, structures or other obstructions.

F. The Cooperative shall have the right to access across the member's property to its facilities from the most readily and accessible public road

or driveway for the purpose of maintaining or working on any part of the electric distribution system.

G. The Cooperative may cut, trim, and control trees, shrubbery, and other vegetation on the member's property by machinery, by chemicals, or otherwise to the extent necessary to keep the right of way clear for the Cooperative's line or system, and the Cooperative may cut down from time to time all dead, weak, leaning or dangerous trees that are tall enough to strike the wires in falling.

H. Member shall comply with all Minnesota laws regulating the installation of electrical wiring and equipment and such rules and regulations as may be adopted by the State Board of Electricity and the Cooperative regarding enforcement of such rules and regulations, and upon request, member shall provide to the Cooperative proper evidence of compliance with permit requirements prior to connection of electric service.

I. The member releases the Cooperative from any and all liability of every kind and nature which may occur from member's defective installation or wiring on the member's property or from the member's failure to inspect that wiring or facilities, and member agrees to hold the Cooperative, its employees, and agents harmless from any and all such liability.

J. The Cooperative may license, permit or otherwise agree to the joint use or occupancy of its lines or system, or if any of its system is placed underground, of the trench and related underground facilities, by any other person, association or legal entity. The Cooperative may permit the attachment of wires of others to the structures of those electric facilities.

K. Member agrees that member will not do any act which will interfere with or harm the

Cooperative's electrical system.

L. The Cooperative may use Cooperative equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of electric energy used by a member and other data or information regarding the member's use of electric energy.

M. Member consents to the Cooperative using an automatic telephone dialing system, or an artificial or pre-recorded voice, to contact the member regarding the member's Cooperative service or the member's use of a Cooperative service.

N. Member shall pay interest and late fees as reasonably determined by the Board of Directors and all costs, including reasonable attorney collection fees, required to collect or obtain payment of amounts owed but not timely paid to the Cooperative.

**SECTION 9. SUSPENSION OF MEMBERSHIP.** The Cooperative may suspend a membership if a member temporarily ceases using Cooperative service as determined by the Board, upon request of a member, when a landlord member transfers bill payment responsibility to the landlord's tenant of landlord's electric service, or for other good cause. Upon suspension, a member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in these bylaws.

**SECTION 10. MEMBER EQUIPMENT CONNECTED TO COOPERATIVE EQUIPMENT.** Except as otherwise provided by the Board, before Member Equipment (any equipment, structure, facility, or other good owned, controlled, operated, or furnished by member) is connected to Cooperative Equipment (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 the 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 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 11. REMOVAL OF DIRECTORS OR OFFICERS.

The members shall have the power to remove any director(s) or officer(s) for specific cause related to the duties of the position of director or officer. Any member may bring specific charges against a director(s) or officer(s) by mailing them to the President in a petition signed by at least twenty percent (20%) of the members requesting the removal of the director(s) or officer(s) in question, and notice of the petition and specific charges shall be mailed to the director(s) or officer(s) in question and the Chief Executive Officer. The removal shall be voted upon at the next annual or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. To be heard at the annual meeting, the petition and specific charges must be received by the Secretary and notice of the petition and specific charges must be received by the director(s) or officer(s) in question and the Chief Executive Officer at least sixty (60) days prior to the annual meeting. If the petitioners wish to have a speedier hearing, they may petition for a special meeting pursuant to Article II, Section 3 of these Bylaws.

The Secretary shall give notice that the specific charges will be heard at the annual or special meeting of the members. The notice shall be by publication in a legal newspaper or newspapers published or circulated in the counties where the

Cooperative operates no more than fifteen (15) days after the receipt of the petition and specific charges by the Secretary and the receipt of the notice of the petition and specific charges by the director(s) or officer(s) in question and the Chief Executive Officer. In the case of a special meeting, said special meeting shall be set no later than sixty (60) days after the receipt, by the Secretary, of the petition and specific charges and receipt, by the director(s) or officer(s) in question and Chief Executive Officer, of the notice of the petition and specific charges. Director(s) or officer(s) in question shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the specific charges against the director(s) or officer(s) shall have the same opportunity.

SECTION 12. PURCHASE OF ELECTRIC ENERGY. All electric energy used by a member in excess of said member's own production shall be purchased from the Cooperative as soon as said energy becomes available. Said member shall pay therefore monthly at rates which shall be from time to time fixed by the Board of Directors; provided, however, that the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by that member to the Cooperative as and when the same shall become



due and payable.

Each member who installs a system for the generation and production of electric energy shall advise the Cooperative of said installation and shall cooperate with the Cooperative in the enforcement of its rules and regulations which shall from time to time be adopted for the purposes of enforcing the Federal Energy Regulatory Commission's regulations under the Public Utilities Regulatory Policies Act of 1978 and enforcing the laws of Minnesota.

**SECTION 13. INTERRUPTION OF COOPERATIVE SERVICE; LIABILITY LIMITS.** The Cooperative shall provide electric service to members 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, 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 attorney 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 of the electric service to the member. Under no circumstances shall the Cooperative be liable for an indirect, special, exemplary, punitive, or consequential damages arising out of the Cooperative's electric service.

**SECTION 14. DISPUTE RESOLUTION.** All disputes, claims, or controversies ("disputes") between a member and the Cooperative arising from or related in any way to the Cooperative's provision

of electricity or other services, its furnishing of any goods, or its conduct of operations, other than disputes relating to the payment for electrical energy provided by the Cooperative, that are not resolved by agreement of the parties shall, at the written request of any party, be resolved by binding arbitration by a single arbitrator. Arbitration shall take place in Crow Wing County, Minnesota, or at such other place as agreed by the parties. The selection of the arbitrator and all arbitration rules and procedures shall be determined pursuant to the Uniform Arbitration Act in Minnesota Statutes sections 572B.01-572B.31, or any successor provisions, and pursuant to any additional written procedures to be established from time to time by the Cooperative's Board of Directors. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative.

## **ARTICLE II**

### **MEMBERS' MEETINGS**

**SECTION 1. ANNUAL MEETING.** The annual meeting of the members shall be held at such times and places as may be determined by the Board of Directors of this Cooperative, provided, however, that the meeting shall be held no earlier than April 15 and no later than August 15 in each year for the purpose of electing directors based upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any 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 conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. NOTICE OF ANNUAL MEETING. Notice of the annual meeting shall be given by the Secretary by publication in a legal newspaper or newspapers published or circulated in the counties where the Cooperative operates or by 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 at least two (2) weeks previous to the date of such meeting, or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative with postage thereon prepaid.

SECTION 3. SPECIAL MEETINGS. Special meeting of the members may be called by a majority of the directors or upon a written petition submitted to the President signed by at least ~~twenty~~ five percent (~~20~~5%) of the members. Special meetings of the members may be held at any place within the County of Crow Wing in the State of Minnesota specified in the notice of the special meeting.

SECTION 4. NOTICE OF SPECIAL MEETING. It shall be the duty of the President to cause the Secretary to give notice of the time, place and purpose of a special meeting, by publication in a legal newspaper or newspapers published or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting, by 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 members, or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. Such notice shall be issued within ten (10) days from and after the date of the presentation of the written petition mentioned in Section 3 of this Article II, and such special meeting shall be held within thirty (30) days from and after the date of the presentation of such petition. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting.

SECTION 5. QUORUM. A quorum necessary to the transaction of business at any meeting of the members shall be at least ten percent (10%) of the total number of members in this Cooperative when the number of members in this Cooperative does not exceed five hundred (500), but when the Cooperative has a larger number of members, fifty (50) members present shall constitute a quorum; provided, however, that in determining a quorum on a question submitted to a vote by mail or electronically, members present in person or represented by mail or electronic votes shall be counted.

SECTION 6. ESTABLISHMENT OF A QUORUM. The attendance of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by a registration

of the members present at such meeting, which registration shall be verified by the President and Secretary and shall be reported in the minutes of such meeting. If an insufficient number of members are present to constitute a quorum, a majority of the members present may adjourn the meeting from time to time without further notice.

**SECTION 7. VOTING.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote. Members attending a member meeting may consider, vote or act only upon a matter for which the power to consider, vote, or act is conferred upon members by law, the articles of incorporation, or these bylaws. The spouse of a member may vote on behalf of the member unless the member has indicated otherwise by notifying the Cooperative. A member shall be entitled to vote by electronic means for a matter if authorized by and in accordance with procedures prescribed by the Board of Directors.

To vote on behalf of a legal entity member, an individual must present evidence requested by and satisfactory to the Cooperative that the individual is authorized to vote for the entity. The entity's highest ranking officer, such as the president, is presumed authorized to vote for the legal entity member, unless the Cooperative has been advised that another individual is authorized to vote for that entity. Any mail or electronic ballot received from a legal entity will be presumed to be valid and authorized.

**SECTION 8. VOTING BY MAIL OR ELECTRONICALLY.**

Any member who is absent from any meeting of the members may vote by mail or electronically (if authorized by the Board) upon any motion, resolution, amendment or election to be acted upon at any such meeting by ballot, which shall be

in the form prescribed by the Board of Directors and shall contain:

- A. the exact text of the proposed motion, resolution, amendment or election to be acted upon at such meeting; and
- B. the date of the meeting; and
- C. spaces opposite the text of such motion, resolution, amendment or election in which member may indicate member's affirmative or negative vote thereon.

Such member shall express a choice by marking the appropriate space and shall mail or deliver the ballot to the Cooperative in a plain, sealed envelope inside another envelope bearing the member's name. A properly executed ballot shall be accepted by the Board and counted as the vote of the absent member at the meeting. The failure of any absent member to receive a copy of any such motion, resolution, amendment, or ballot shall not invalidate any action which may be taken by the members at any such meeting.

The Board of Directors may authorize member voting by electronic means if the Cooperative is able to authenticate that it is the Cooperative member who is casting the vote.

**SECTION 9. VOTING LIST.** The Secretary of this Cooperative shall make, at least fifteen (15) days before each meeting of the members, a complete list, arranged in alphabetical order, of the members entitled to vote at such a meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. Upon request from a member for a copy of the membership list for good cause stated, the Cooperative may, within

10 days of receiving such a request, offer the member an alternative method for reasonably and timely accomplishing the purpose identified by the member without providing access to or a copy of the membership list. In addition, the Cooperative may require the member to comply with additional reasonable terms, conditions, and requirements to protect against using the membership list for alternative, improper, or prohibited uses.

SECTION 10. ROBERT'S RULES OF ORDER. All meetings of the Cooperative shall be governed and conducted substantially in accordance with the latest edition of Robert's Rules of Order.

SECTION 11. OATH OF OFFICE. Prior to any person assuming the office of director, such person must subscribe to the following oath or affirmation: "I do solemnly swear (or affirm) that I will support the Constitution and the laws of the United States of America, the Constitution and the laws of the State of Minnesota, and the Bylaws of Crow Wing Cooperative Power and Light Company;; that I will faithfully discharge according to the best of my ability the duties of my office during such time as I am a director of Crow Wing Cooperative Power and Light Company, and that I will never knowingly do or cause to be done any act or deed which would not be in the best interest of the Cooperative and its membership."

SECTION 12. POSTPONEMENT OF A MEETING OF THE MEMBERS. In the event of inclement weather or the occurrence of a catastrophic event, natural disaster, or other good cause, any annual or special meeting of the members may be postponed and rescheduled by the President or in the President's absence by any other available officer of the Board.

Notice of the postponement and rescheduling shall be given by the Cooperative in any media of general circulation or broadcast generally serving the service territory of the Cooperative.

## **ARTICLE III**

### **DIRECTORS**

**SECTION 1. GENERAL POWERS.** The business and affairs of this Cooperative shall be directed by the Board of Directors which shall exercise all of the powers of the Cooperative, except such as are by law, by the articles of incorporation, or by these bylaws conferred upon or reserved to the members.

**SECTION 2. NUMBERS AND DISTRICTS.** The number of directors of this Cooperative shall be nine (9). The entire membership will vote for all directors as their three year terms expire. Each director shall be elected by the members at the annual meeting of the members for such term as is hereinafter provided:

The Cooperative by action of the Board of Directors shall divide the Cooperative's service territory into three districts. Each district shall be further divided into two sub districts (sub districts "a" and "b"). There shall be one director representing each sub district and one "at large" director for each district. The directors shall be designated as representing the following: district 1a, district 1b, district 1 at large, district 2a, district 2b, district 2 at large, district 3a, district 3b, and district 3 at large. Representation on the board shall be apportioned throughout the different districts and sub districts in proportion to the membership residing in or belonging to the districts or sub districts. The number of members in any one



district or sub district may not vary by more than ten percent from the average number of members for the districts or sub districts.

At least once every ten years, the Board of Directors shall conduct a survey to determine whether the number of members in a district or sub district has changed. If the number of members in a district or sub district has changed by 15% or more, the district or sub district shall be changed so that representation on the Board of Directors continues to be apportioned so that the number of members in any one district or sub district does not vary by more than ten percent from the average number of members for the districts or sub districts.

There shall be elected by ballot at each annual meeting, three (3) directors for terms of three (3) years, or until their successor shall have been elected and shall have qualified, with one director representing one of the sub districts of each district or one at large director from each district wherein the term of its director has expired at the time of such annual meeting.

**SECTION 3. QUALIFICATIONS.** No person shall be eligible to become or remain a director of the Cooperative who:

- A. is not a bona fide member of the Cooperative receiving electric service from the Cooperative in the district or sub district that the director represents or would represent if elected;
- B. within five years preceding a Director candidate's nomination was or during service on the Board of Directors is finally adjudged to be guilty of a felony;
- C. within five years preceding a Director candidate's nomination was a full or part-time employee of the Cooperative or any affiliated

- business or subsidiary of the Cooperative;
- D. within five years preceding a Director candidate's nomination was a part owner or full or part-time employee of any affiliated business or subsidiary of the Cooperative;
- E. individually or as an employee, representative, or part owner of a legal entity that sells more than \$10,000 of goods or services to the Cooperative or any affiliated business or subsidiary of the Cooperative;
- F. is or becomes, or at any time during the five years preceding a Director candidate's nomination shall have been, employed by a labor union which represents, or has represented, or has endeavored to represent any employees of the Cooperative;
- G. is a Close Relative of an employee of the Cooperative;
- H. is a Close Relative of an incumbent who is not up for reelection at that time;
- I. is in any way employed by or substantially financially interested in an enterprise substantially competing with the Cooperative or any cooperative-affiliated business;
- J. is or becomes the full or part-time employee or agent or, who is or becomes the full or part-time employer or principal of, another director;
- K. is absent without cause from three or more regular meetings of the Board of Directors during any twelve month period;
- ~~K.~~ L. has failed to complete the Director education requirements set forth in this Article III, Section 3, below; or
- ~~L.~~ M. in the case of a joint membership, only one person of that joint membership can be a board member.

A "Close Relative" is an individual who:

- i. Is either by blood, law, or marriage, including half, step, foster, and adoptive relations, a spouse, child, grandchild, parent, grandparent, or sibling; or
- ii. Resides in the same residence.

A member that is an authorized farm corporation or family farm corporation may select an individual member residing on or actively operating the farm to be eligible for election to the Board. A member that is not a natural person (such as a corporation, partnership, sole proprietorship, limited liability company, limited liability partnership) may select one of its officers to be eligible for election to the Board, provided that not more than two such officers may serve on the Board at the same time.

With regard to the provisions in paragraphs (G) and (H) above, no incumbent Director shall lose eligibility to remain a Director or to be reelected a Director if, during a Director's incumbency, a Director becomes a first kindred relative of another Director or of a Cooperative employee because of a marriage or adoption to which the Director was not a party.

With regard to paragraph (L) above, no incumbent Director shall be eligible for election unless, no later than sixty (60) days before the date of the meeting at which directors are to be elected, the incumbent Director has received a Credentialed Cooperative Director designation, Director's Certificate, or similar or successor certification, from the National Rural Electric Cooperative Association. The cost of said education shall be paid by the Cooperative. This provision and paragraph (L) shall apply only to incumbent Directors seeking election to a subsequent consecutive term, and shall not apply to non-incumbent candidates. The Board may excuse the failure of a Director to strictly comply with this provision and with paragraph (L) for good

cause.

After the Board of Directors determines that a Director or a nominee for Director lacks eligibility under the provisions of this section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board to promptly make a disqualification. After the Board of Directors determines that any Director candidate or any Director already holding a Directorship lacks eligibility under this section, it shall be the duty of the Board to withhold such position from such person or to cause a Director to be removed therefrom, as the case may be.

Nothing contained in this section shall, or shall be construed to be, affect in any manner the validity of any action taken at any meeting of the Board unless such action is taken with respect to a matter in which one or more of the Directors has a personal interest in conflict with that of the Cooperative.

SECTION 4. TENURE. Under Article III, Section 2, at each annual meeting there shall be elected by ballot three (3) directors for terms of three (3) years, or until their successor shall have been elected and shall have qualified, one (1) director representing one (1) of the sub districts of each district or one (1) at large director from each district wherein the term of its director has expired at the time of such annual meeting. The director candidate receiving the largest number of votes shall be elected, and if a tie should occur during the election of the directors, a flip of a coin shall determine the winner.

SECTION 5. DIRECTOR DISTRICTS AND NOMINATIONS.

A. A director or director candidate shall be eligible to serve that district or subdistrict where

that person resides. If that person does not reside within the Cooperative's service territory, then that member shall be eligible to represent that district or sub district where the member has real property receiving electric service from the Cooperative (and if that person is receiving service at more than one location, then that person shall belong to the district and subdistrict at which the person first used a cooperative service).

**B. OPEN FILING** Any qualified member may become a candidate for the Board of Directors by completing and submitting an application form approved by the Board of Directors. The application must be received at the principal office of the Cooperative by 4:30 p.m. not fewer than sixty (60) days before the date of the meeting at which directors are to be elected. The Cooperative will begin accepting applications one hundred thirty-five (135) days before that meeting date. The Cooperative shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the meeting a list of the director candidates; such list shall also be mailed to each member through the medium of the Cooperative Newsletter. A ballot marked "Ballot for Directors" containing the names of all the director candidates so posted, alphabetically arranged by district and at large and stating the residence of each, shall be mailed with the notice of the meeting. The ballot shall not provide for write-in candidates. The Secretary shall also mail with the notice of the meeting a statement of the number of directors to be elected. The members may, at any meeting at which a director or directors shall be removed, as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions

with respect to open filing of director candidates. Members may not nominate at, or from the floor of, a member meeting an individual to run for election to a director position scheduled for election at the member meeting.

Notwithstanding any other provision herein, if for any election there is only one nominee for each board position so that all nominees are running unopposed, ballots need not be provided by mail or electronically to the members, and the election shall be voice vote at the member meeting.

Notwithstanding anything in this Section contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors.

**SECTION 6. VACANCIES.** Subject to the provisions of these Bylaws with respect to the removal of director(s), vacancies occurring in the Board of Directors may be filled by a majority vote of the remaining directors, and directors thus elected shall serve until the next regular or special members' meeting or until the successor shall have been elected and qualified. At the next regular or special members' meeting, the members must elect a director to fill the unexpired term of the vacant director's position.

**SECTION 7. COMPENSATION.** Directors shall receive reasonable reimbursement, compensation, or benefits for service to the Cooperative as determined by resolution of the Board of Directors.

**SECTION 8. RULES AND REGULATIONS.** The Board of Directors shall have the power to make and adopt such policies, rules, and regulations, not

inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 9. ACCOUNTING AND REPORTS.** The Board of Directors shall cause to be established and maintained a complete accounting system, which among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by any lender. All accounts of the Cooperative shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four times a year at regular meetings of the Board of Directors. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, records, and financial condition of the Cooperative as of the end of such fiscal year. Such audit shall be performed by a certified public accountant, and a summary of such audit report shall be submitted to the members at the following annual meeting.

## **ARTICLE IV MEETINGS OF DIRECTORS**

**SECTION 1. REGULAR MEETINGS.** A regular meeting of the Board of Directors shall be held monthly at such time and place in the service territory of the Crow Wing Cooperative Power and Light Company, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 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 time and place (which shall be in Crow Wing County, Minnesota), for the holding of any special meeting of the Board of Directors called by them.

SECTION 3. NOTICE. Notice of time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at the director's last known address. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

SECTION 4. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 5. MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 6. MEETINGS BY MEANS OF ELECTRONIC COMMUNICATION. Members of the Board of



Directors, or any lawfully constituted committee, may participate in a meeting of such Board of Directors by means of conference telephone or similar means of communication by which all persons participating may simultaneously hear and communicate with each other during the meeting. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

SECTION 7. ACTION WITHOUT MEETING. Any action that may be taken at a meeting of the Board of Directors, or of a lawfully constituted committee, may be taken without a meeting if set forth and approved by all of the directors, or by all committee members, as the case may be and is evidenced by one or more written or electronic consents describing the action taken, signed by each director, delivered to the Cooperative, and included with the Cooperative's board meeting minutes. The action shall be effective on the date specified, or if no date is specified, on the date on which the last signature is placed on the writing. A director's written consent has the effect of, and may be described as, a board meeting vote.

## **ARTICLE V**

### **OFFICERS**

SECTION 1. NUMBER. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting

of the Board of Directors held after each annual meeting of the members; provided, when there is only one nominee for any office, then written balloting may be dispensed with and voting may be conducted in any proper manner. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until the officer's successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

SECTION 4. VACANCIES. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. PRESIDENT. The President shall:

- A. be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- B. sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or

executed; and

C. in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. 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 power of and be subject to all restrictions upon the President and shall perform such other duties as from time to time may be assigned by the Board of Directors.

SECTION 7. SECRETARY. The Secretary shall:

- A. keep the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;
- B. see that all notices are duly given in accordance with these Bylaws or as required by law;
- C. be custodian of the corporate records and of the seal of the Cooperative;
- D. keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- E. have general charge of the books of the Cooperative in which a record of the members is kept;
- F. keep on file at all times a complete copy of the 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, forward a copy of the Bylaws and of all amendments thereto to each member; and
- G. in general perform all duties incident to the office of Secretary and such other duties as from

time to time may be assigned by the Board of Directors.

Upon the request of the Secretary, the Board of Directors shall authorize the Secretary to delegate any or all of the duties to responsible employees of the Cooperative.

#### SECTION 8. TREASURER. The Treasurer shall:

- A. have charge and custody of and be responsible for all funds and securities of the Cooperative;
- B. receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such insured financial institution(s) as shall be selected in accordance with the provisions of these Bylaws; and
- C. in general perform 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.

Upon the request of the Treasurer, the Board of Directors shall authorize the Treasurer to delegate any or all of the duties to responsible employees of the Cooperative.

SECTION 9. CHIEF EXECUTIVE OFFICER AND ADDITIONAL OFFICERS. The Board of Directors shall appoint a chief executive officer who may be, but who shall not be required to be, a member of the Cooperative. The chief executive officer shall perform such duties as the Board of Directors may from time to time require and shall have authority as the Board of Directors may from time to time vest in the chief executive officer. The Board of Directors may appoint such other officers (such as a chief operating officer) who need not be members of the Board nor the Cooperative but who shall be management employees of the Cooperative and

who shall exercise such powers and perform such duties as determined from time to time by the Board.

SECTION 10. BONDS OF OFFICERS. The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine.

SECTION 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 and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VI TRANSACTIONS**

SECTION 1. CONTRACTS. Except as otherwise provided in these Bylaws, the Board of Directors 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 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 of Directors.

SECTION 3. DEPOSITS. All funds of the Cooperative

shall be deposited from time to time to the credit of the Cooperative in such insured financial institutions as the Board of Directors may select.

## **ARTICLE VII**

### **MEMBERSHIP CERTIFICATES**

There shall be no membership certificates issued by the Cooperative. Membership in the Cooperative shall be evidenced by membership records maintained by the Cooperative.

## **ARTICLE VIII**

### **DISTRIBUTION OF EARNINGS**

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Cooperative shall at all times be operated on a cooperative not-for-profit basis, for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons, members and non members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a not-for-profit basis the Cooperative is obligated to account on a patronage basis to all its 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 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 patrons, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses as well as all capital gains realized in activities related to the cooperative purpose. 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 patron or allocated to each patron from patronage related gains is clearly reflected and credited in an appropriate record to the capital account of each patron.

The Cooperative shall within a reasonable time after the close of the fiscal year notify the patrons of the total amount of capital, if any, credited to the capital accounts of the patrons for the previous year. The patrons shall also be advised that the Cooperative will, upon request of a patron, notify each patron of the amount so credited to the patron's account. That notice shall be given by the cooperative by publication in a legal newspaper or newspapers published or circulated in the counties that the Cooperative operates, by 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, or by depositing notice in the United States mail, addressed to the patron at the patron's address as it appears in the records of the Cooperative with postage thereon prepaid. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

In the event of dissolution or liquidation of the Cooperative after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credit 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 patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of any such retirements.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative as the Board of Directors, acting under policies of general application, shall determine.

Provided further, 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 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 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, (c) provide for a general notification to patrons 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 for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Upon the death of any patron or former patron



who is a natural person, the legal representative of the deceased patron's estate may request in writing that the capital credited to the deceased patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws. Upon receiving that request, the Board of Directors, at its discretion, shall have the power to retire capital credited to the deceased patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representative shall agree, but only if the retirement will not adversely impact the Cooperative's financial condition. That retirement may include the power supply portion of allocated capital credits, and the Cooperative may pay the net present value of the credits retired.

Upon the Cooperative receiving written notice and sufficient proof of the dissolution of marriage between spouses in a joint membership, and unless otherwise instructed by a court or administrative body of competent jurisdiction, the Cooperative shall assign and transfer to each spouse one half of the capital credits allocated to the joint membership.

The patrons, both members and non-members alike, of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, the terms of which shall survive the termination of member service by the Cooperative, and both the Cooperative and the patrons are bound by such contract as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a

conspicuous place in the Cooperative's office.

SECTION 3. NONOPERATING MARGINS. Funds and amounts, other than amounts received and receivable from capital gains realized in activities related to the cooperative purpose and from the furnishing of electric energy and in excess of operating costs and expenses chargeable against the furnishing of electric energy (operating margins), received by the Cooperative that exceed the Cooperative's costs and expenses ("nonoperating margins") may be:

- A. allocated as capital credits to patrons in the same manner as the Cooperative allocates capital credits to patrons; or
- B. used by the Cooperative as permanent, nonallocated capital reserve.

## **ARTICLE IX WAIVER OF NOTICE**

Any member, director, or officer may waive, in writing, any notice of a meeting required to be given by law, the Articles of Incorporation or these Bylaws, and any such notice shall be effective whether given before, at, or after the meeting.

## **ARTICLE X DISPOSITION OF PROPERTY**

The Cooperative may at any meeting of its Board of Directors sell, mortgage, lease or exchange all of its property, rights, privileges and franchises upon such terms and conditions as the Board of Directors deems expedient, and for the best interests of the Cooperative, when and as authorized by the affirmative vote of the holders of three-fourths (3/4) of the memberships outstanding, and provided

further, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbrancing of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine. Notwithstanding any other provision of the Articles of Incorporation or Bylaws, any repeal, amendment, or alteration of this Article that would result in a change in the member approval requirements for acts described herein, must be approved by a three-fourths (3/4) vote of all members of the Cooperative.

## **ARTICLE XI FISCAL YEAR**

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

## **ARTICLE XII RECORDS AND MEETINGS**

SECTION 1. BUSINESS RECORDS. Roll call votes are required on actions which directly establish service charge and rate schedules. Roll call voting is also required on any matter upon the request of one or more directors.

SECTION 2. OPEN MEETINGS. When required by Minnesota Statutes §308A.327, meetings of the Board of Directors must be open to the members

of the cooperative and the members' spouses. Members must be given notice of all regularly scheduled meetings except those of an emergency nature. Duly elected directors of retail cooperative associations must be given notice, through their retail cooperative association, of all meetings of the board of directors of the wholesale cooperative association, except those of an emergency nature, from which the retail cooperative purchases the majority of its electric requirements. A meeting or a portion of a meeting may be closed by the Board of Directors for one of the following reasons:

- A. to discuss personnel matters, compensation issues, labor negotiations, billing and credit information, or an issue that may tend to prejudice the reputation of an individual;
- B. to discuss threatened or pending litigation, issues subject to an attorney/client privilege, or other legal information, the knowledge of which may have an adverse effect on the Cooperative's legal position; or
- C. to discuss or disclose information that, if discussed in an open meeting, would result in impairment of the Cooperative's competitive or financial position, interfere with a business opportunity, or reveal proprietary information. For the purposes of clause (C), a business opportunity means an opportunity for substantial financial improvement of the Cooperative that, if generally known, would likely jeopardize the opportunity itself.

The Board may close a meeting or a portion of a meeting after announcing during an open meeting or by inclusion in a notice to the members the item of business to be discussed during the closed meeting or closed portion of the meeting.

## **ARTICLE XIII**

### **SEAL**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words “Corporate Seal, Minnesota.” The use or non-use of the corporate seal shall not affect the validity, enforceability, or recordability of a document or act of the Cooperative.

## **ARTICLE XIV**

### **ELECTRONIC RECORDS AND SIGNATURES**

To the extent permitted or required by law and subject to reasonable policies of the Cooperative, any signature required or document required to be in writing by these Bylaws will be effective and enforceable if in electronic form.

## **ARTICLE XV**

### **SECURITY INTEREST IN PATRONAGE CAPITAL.**

As security for the full and prompt payment and performance when due of any and all obligations or indebtedness that may be owed by a patron (member or non-member) to the Cooperative, the Cooperative shall have a continuing security interest in and recoupment claim against the patronage capital allocated to a patron. Each patron authorizes the Cooperative to perfect that security interest by any filing required under the Uniform Commercial Code. Regardless of a statute of limitation or other time limitation, after retiring capital credits allocated to a patron or former patron, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the patron or former patron, including any service fees,

by reducing the amount of retired capital credits paid by the amount owed to the Cooperative.