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# BYLAWS

OF

## ADAMS-COLUMBIA ELECTRIC COOPERATIVE

FRIENDSHIP, WISCONSIN



**Adams-Columbia Electric Cooperative**

Your Touchstone Energy® Partner



**Revised 2013**



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# **RESTATED ARTICLES OF INCORPORATION**

## **Article I Name and Location**

The name of this cooperative association shall be Adams-Columbia Electric Cooperative, and its location and principal office shall be at 401 East Lake Street in the Village of Friendship, in Adams County, Wisconsin, Post Office Address: P.O. Box 70, Friendship, Wisconsin 53934-0070.

## **Article II Purposes**

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

## **Article III Duration**

The duration of this cooperative association shall be perpetual.

## **Article IV Non-Stock Member Classes**

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

## **Article V Merger or Disposition of Property**

The disposition of all or any substantial portion of the property of the cooperative shall require the affirmative vote of not less than two-thirds (2/3) of all of the members of the cooperative, provided, however, that merger or consolidation with another cooperative organized for and primarily engaged in furnishing electric power and energy to its members may be approved by a two-thirds (2/3) majority of member votes cast at a meeting of the membership duly noticed and held. The required majorities set forth in this Article may not be amended by vote of less than that majority proposed to be amended.

**Article VI**  
**Property Rights and Basis of Distribution**  
**In the Event of Dissolution**

Upon dissolution, after

- (a) All debts and liabilities of the cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in the bylaws

the remaining property and assets of the cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) calendar years next preceding the date of the filing of the certificate of dissolution, subject to and in accordance with such classifications of business formula as may have been employed in allocating patronage capital to such members during said ten (10) year period.

**Article VII**  
**Officers**

The principal officers of this cooperative shall be a chairman, a vice chairman, a secretary, and a treasurer. The officers shall be elected in such manner and have such authority as the bylaws provide. The bylaws may also provide different titles for any of these offices, and allow for creation of additional offices.

## RESTATED BYLAWS OF

### ADAMS-COLUMBIA ELECTRIC COOPERATIVE APRIL 13, 2013

*The Aims of the Cooperative are threefold:*

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

#### ARTICLE I MEMBERSHIP

##### **Section 1. Requirements for Membership.**

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Adams-Columbia Electric Cooperative (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he, she or it has first:

- (a) Made a written or electronic application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any policies, rules and regulations adopted by the Board of Directors, and
- (d) Paid the membership fee specified by the Board.

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

##### **Section 2. Membership Certificate.**

Membership in the Cooperative may, in the discretion of the Board of Directors, be evidenced by a membership certificate which shall take such form and contain such provisions as shall be determined by the Board. In case a certificate is lost, destroyed



or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

### **Section 3. Joint Membership.**

- (a) Any application for membership in the Cooperative received after March 22, 1962, from any person who is married shall be deemed and become an application for membership by husband and wife as joint tenant members with right of survivorship unless the person making such application otherwise designates in writing.
- (b) With respect to memberships issued prior to March 22, 1962, the membership of any person who on March 22, 1962, was married, or who thereafter while a member became married, shall be deemed to have become, and did become at such time, a membership in husband and wife as joint tenant members with right of survivorship without further action by such member, unless within 30 days after March 22, 1962, or 30 days after the date of marriage, whichever date is later, the person to whom such membership was issued otherwise designated in writing.
- (c) The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of memberships shall apply equally with respect to the holders of a joint membership, including, without limitation the following:
  - (1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint vote;
  - (2) The vote of either separately or both jointly shall constitute a joint vote;
  - (3) A waiver of notice signed by either or both shall constitute a joint waiver;
  - (4) Notice to either shall constitute notice to both;
  - (5) Expulsion of either shall terminate the joint membership;
  - (6) Withdrawal of either shall terminate the joint membership; and
  - (7) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.
- (d) The records of the Cooperative shall properly show all joint memberships in the names of the joint members. By writing signed by both joint members and filed with the Cooperative any joint membership may be terminated and changed to a membership in common or vested solely in one of the joint members.
- (e) Upon the death of either spouse, or other person, who is a party to a joint membership, such membership shall be held solely by the survivor and the records of the Cooperative shall be changed to show membership solely in the survivor; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

### **Section 4. Conversion of Membership.**

A membership may be converted to a membership as tenants in common or as joint tenants with right of survivorship upon the written request by the holder and the agreement by the holder and the persons becoming tenants in common or joint tenants, to comply with the articles of incorporation, bylaws, and policies, rules and regulations adopted by the Board of Directors. The outstanding membership

certificate, if any, shall be surrendered, and, in the discretion of the Board of Directors, may be reissued by the Cooperative in such manner as shall indicate the changed membership status.

### **Section 5. Membership Fee.**

The Board of Directors may from time to time establish a reasonable membership fee, the payment of which shall be one of the conditions of membership in the Cooperative.

### **Section 6. Purchase of Electric Energy.**

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

### **Section 7. Termination of Membership.**

- (a) This subsection governs termination of membership, whether by voluntary action of the member or by the Cooperative.
- (1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.
  - (2) The membership of a member who for a period of six (6) months after service is available has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board of Directors or action of the Board's designee.
  - (3) The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of all members of the Board of Directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or reasonable policies, rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership

certificate, if any, of such member shall be cancelled forthwith. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

- (c) Absent any other arrangement agreed to in writing by the Cooperative, upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint, provided that this provision shall not affect the ownership of funds held by the Cooperative in the name of the joint owners, and further provided, that neither joint owner shall be released from debts due the Cooperative arising from the joint ownership.
- (d) In case of withdrawal or termination of membership in any manner, the Cooperative may repay to the member the amount of the membership fee, if any, paid by the member, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

### **Section 8. Non-Liability for Debts of the Cooperative.**

The private property of the members of the cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

### **Section 9. Property Interest of Members.**

Upon dissolution and after

- (a) all debts and liabilities of the Cooperative shall have been paid and
- (b) except as otherwise provided in these bylaws, all capital furnished through patronage shall have been retired as provided in the bylaws, then the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) calendar years next preceding the date of the filing of the certificate of dissolution, subject to and in accordance with such classifications of business as may have been employed in allocating patronage capital to such members during said ten-year period. In making such distribution, patronage for each year shall be adjusted to reflect the changes in the Consumer Price Index, if any, between the year the patronage occurred and the date of distribution.

## **ARTICLE II SERVICE PRINCIPLES**

### **Section 1. Area Coverage Service.**

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

## **Section 2. Service Area Maps.**

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

## **Section 3. Extension and Service Rules.**

Extension and service rules of the Cooperative from time to time promulgated by the Board of Directors shall be of general and uniform application, shall provide for service without discrimination to all patrons or members within the same classification of business, and may include agreement by the member to convey easement rights enabling the Cooperative to serve its members.

## **Section 4. Service to Non-Member Patrons.**

In the event the Cooperative shall acquire all or any portion of the property of any public utility, former consumers of such public utility served through the property acquired shall be invited to become members of the Cooperative. Should any such consumer refuse to become a member of the Cooperative then the Cooperative may continue to render electric service to such consumer as a patron of the Cooperative; provided, however, that the Cooperative may not render service to non-members in excess of ten percent (10%) of the total patrons served by the Cooperative.

## **Section 5. Assumption of Public Utility Obligations.**

Within the corporate limits of any city or village in which the Cooperative may acquire the property of any public utility, the Board of Directors may, by rule or by agreement with the governing board of such municipality, cause the Cooperative to become subject therein to all or part of the regulatory rules and jurisdiction of the Public Service Commission of Wisconsin, or other regulatory agency provided by law, provided that this shall not affect the status of the Cooperative in the balance of its service area nor require approval of its securities issued to the United States of America or to any financing institution organized by rural electric cooperatives or approved by the Administrator of the Rural Electrification Administration or by such other official or agency as may succeed to its responsibilities.

# **ARTICLE III MEETINGS OF MEMBERS**

## **Section 1. Annual Meeting.**

The annual meeting of the members shall be held within seven months of the end of the fiscal year at such time and place as shall be determined by the Board of Directors and which shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. If the election of directors shall not be held on the day designated as the day for the holding of the annual meeting or at any adjournment thereof, the Board of

Directors shall cause a special meeting of the members to be called as soon thereafter as conveniently may be for the purpose of holding such election.

**Section 2. Special Meetings.**

Special meetings of the members may be called by the Chairman, by resolution of the Board of Directors or by ten percent (10%) or more of all of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings may be held at any place within any county in or adjacent to the area served by the Cooperative as designated by the Board of Directors and shall be specified in the notice of the special meeting.

**Section 3. Notice of Members' Meetings.**

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

**Section 4. Quorum.**

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

**Section 5. Voting.**

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting except as otherwise provided by law, the articles on incorporation of the Cooperative or these bylaws. Two or more persons holding a joint or tenancy in common membership shall jointly be entitled to one (1) vote and no more upon each matter submitted to vote at a meeting of the members. Any member which is a cooperative, corporation, partnership, limited liability entity, government body, church, or voluntary association may, acting through its governing body, designate in writing its representative to act for it at membership meetings. Such written designation shall be filed with the Secretary before such representative votes at any such meeting, except that the chairman of any such corporation, association,

board or body politic may cast its vote at such meeting if no such written designation for any other representative is so filed. Such representative or officer may also vote as an individual if he or she is a member. A legal guardian of any member may vote on behalf of such member. Voting by absentee ballot shall be only as specifically authorized by the Board of Directors, consistent with the procedures set forth in Section 6, below.

**Section 6. Voting by Absentee Signed or Electronic Ballot.**

Any member who is unable to attend a meeting of the members may vote on any motion to be considered at the meeting only as follows:

- (a) If the Cooperative provides ballots for the vote on the motion to the members together with the notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this paragraph, neither the motion nor any resolution to which it pertains may be amended.
- (b) If the Cooperative does not provide ballots and an exact copy of the motion or resolution to which it pertains to the members along with the notice of meeting, but makes available ballots for the vote along with exact copies of the motion or resolution to which it pertains, then a member may request a ballot and exact copy of the motion and may vote by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting and, if the motion or resolution is amended, the ballot is void. The ballot may not be counted on any motion to amend or adopt as amended the motion or resolution.
- (c) A sealed envelope bearing the signature of the member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for purpose of this section.
- (d) Absentee ballots shall be mailed or delivered to the Cooperative's principal office so as to be received at the principal office no later than noon on the last business day before the membership meeting.
- (e) In the event a member voting by absentee ballot attends such meeting in person, the absentee ballot shall be discarded in favor of the member's vote cast in person at the meeting.
- (f) If ballots for use in voting for a director are not provided members along with the notice of the meeting, a member may request a ballot from the Cooperative in such manner as the Board of Directors may specify, and use the same for voting for director in accordance with the provisions of this section.
- (g) Where absentee signed ballots are permitted, the Board of Directors may similarly permit electronic voting, provided it has first adopted authentication procedures to govern such voting that in the Board's judgment will reasonably ensure that it is the member who is casting the vote and provided the vote is received by the Cooperative by noon on the last business day before the membership meeting.
- (h) The failure of any member to receive a copy of any such motion or ballot shall not invalidate any action which may be taken by the members at any such meeting.

### **Section 7. Order of Business.**

The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as set forth in the notice of the meeting and shall include the following:

- (a) Report on registration and declaration of whether a quorum is present.
- (b) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver of notice of the meeting, as the case may be.
- (c) Taking action on unapproved minutes of previous meetings of members that have been distributed to the members.
- (d) Presentation and consideration of, and if called for acting upon, reports of officers, directors, and committees.
- (e) Election of directors.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

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

### **Section 8. Advisory Committee:**

As an additional means for the Board of Directors to gather member input on issues of importance to the Cooperative, the Board from time to time may appoint an Advisory Committee. To the extent practicable, the Advisory Committee shall include a member from each of the townships served by the Cooperative. In appointing the Advisory Committee, the Board shall specify the term of service and any particular matters for which the Committee's advice is being sought. The Advisory Committee may also identify prospective candidates for director and encourage them to secure and file nominating petitions as provided in Article IV, Section 3, below.

### **Section 9. Rules Committee.**

The Board of Directors shall each year appoint a Rules Committee, the majority of which shall be members of the Advisory Committee but which may also include directors and other members of the Cooperative. In any year in which an Advisory Committee has not been appointed, a majority of the members of the Rules Committee shall be non-director members of the Cooperative. The Committee shall establish rules to govern the conduct of the next annual meeting. The rules shall include a deadline for members to submit any advisory resolutions relating to the affairs of the Cooperative that they plan to present at the annual meeting, which deadline shall be communicated to the membership. The Committee shall also have responsibility for considering any proposed advisory resolutions that are timely submitted by members. In consultation with the Board and the chief executive officer, the Committee shall determine whether additional information should be presented to the membership to ensure a full airing of the issue and an informed decision by the membership on the

matter. The Committee in its report to the membership may make a recommendation concerning disposition of any such resolution.

## **ARTICLE IV DIRECTORS**

### **Section 1. General Powers.**

All powers of the Cooperative shall be exercised by or under authority of, and the business and affairs of the Cooperative shall be managed under the direction of, the Board of Directors, except as otherwise provided by law, the articles of incorporation, or these bylaws. There shall be eleven (11) directors.

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

### **Section 2. Director Districts, Tenure and Qualifications.**

- (a) Director Districts. The territory at any time served by the Cooperative shall be divided into eleven (11) districts, each of which shall be represented on the Board of Directors by one director. The Board of Directors may from time to time change the boundaries of the director districts, provided, however, that any such change be modified on a prospective basis by the members at the next membership meeting. In connection with any change in the boundaries, if in their judgment the best interest of the Cooperative would be served thereby the directors may also reduce the number of districts, however, such action shall require the affirmative vote of not less than two-thirds (2/3) of the full board and shall similarly be subject to prospective modification by the members at the next membership meeting. No change in the boundaries shall disqualify any director from completing his or her current term. Each director district shall contain as nearly as practicable the same number of members, except where natural or political boundaries require disproportionate representation to ensure a community of interest among the members within each district.
- (b) Tenure. Directors shall be elected for three year terms on a staggered basis so that no more than four of such terms shall expire at each annual meeting. Each director elected shall serve until the annual meeting when the term expires, or until the successor is elected and qualified, subject to the provisions of these bylaws with respect to the removal of directors.
- (c) Qualifications. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative, who:
  - (1) is not a member and a bona fide resident of the director district which he or she has been nominated or elected to represent; or



- (2) employed by or financially interested in a competing enterprise or a business selling energy, services or supplies to the Cooperative, unless the Board determines according to standards set forth in formal Board policy that the relationship does not and is not likely to create an actual conflict of interest or otherwise influence the person's discharge of his or her duties as a director; or
- (3) has pursued any claim or litigation against the Cooperative or employees or directors of the Cooperative in the preceding five years or has been in default on any obligation to the Cooperative in the preceding 12 months; or
- (4) has been an employee of the Cooperative in any capacity within five years of the date of election or appointment, or is a close relative (as defined in Section 5 of this Article) of a person who has been an employee within that period; or
- (5) is an incumbent of, or candidate for, an elective county, state or federal office filled by election on a party ticket; or
- (6) while a director or preceding his or her nomination, election or appointment was convicted of any felony or of any other offense involving a breach of trust.

When membership is held by joint tenants, tenants in common, a partnership, or a corporation, one of the joint tenants, tenants in common, partners, or officers (as designated in writing by the corporation), but not more than one, may be elected a director, provided, however, that such person shall not be eligible to become or remain a director or hold a position of trust in the Cooperative unless that candidate shall be a bona fide resident of the director district he or she proposes to represent and unless all the joint tenants, tenants in common, partners, or officers shall meet the qualifications set forth in sub's. (2) - (4), above.

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

(d) Disqualification.

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

The directors shall find and determine whether such person is ineligible to become

a director, or if already a director, is ineligible to remain a director under the qualifications provided in these bylaws. In making such determination, if the person whose eligibility is being considered is a director, that person may not vote. If the remaining directors determine by a majority vote that the person, if a candidate, is ineligible to become a director, then such person's name shall be withdrawn as a candidate for director. If the person is already a director, then that person shall be ineligible to remain a director, and his or her office as a director, shall forthwith become vacant. The remaining directors shall appoint a successor until the next membership meeting.

**Section 3. Nomination and Election of Directors.**

- (a) Nomination. Nomination of candidates for director shall be by petition. To be valid, a petition shall be in a form designated by the Cooperative, shall be signed by not less than 25 members (with the signature of either or both joint or tenancy in common members counting as one signature), and shall be delivered to the Cooperative's principal office at least 90 days prior to the annual meeting. In the event no valid petitions have been filed by that date, the Board shall appoint a Nominating Committee from the members in the director districts for which directors are to be elected at the ensuing annual meeting. In that event, the Nominating Committee shall use its best efforts to nominate two or more qualified candidates for each director position up for election. The Board may utilize members of the Advisory Committee described in Article III, Section 8, above, as the Nominating Committee. The names of all nominees shall be set forth in the notice of the annual meeting.
- (b) Election. At each annual meeting, a written ballot; containing the names of the candidates shall be distributed to the members. Each member present and qualified to vote at the meeting shall be entitled to vote for one candidate for each of the director districts for which a director is to be elected. The ballots shall be collected and tabulated by tellers appointed by the Chairman, and the tellers shall report the results in the balloting to the members prior to the close of the meeting. The candidate for each director district receiving the highest number of votes shall be declared elected.

**Section 4. Vacancies.**

A vacancy in the office of director shall be filled by a majority vote of the remaining directors and the director thus elected shall serve until the next annual meeting of the members or until a successor shall have been elected and shall have qualified.

**Section 5. Compensation.**

Directors shall not receive any salary for their services as such, but by resolution of the Board a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meeting, conferences, and training programs, or performance of committee assignments or other services when authorized by the Board, along with reasonable expenses actually and necessarily incurred, may be allowed. If authorized by the Board, the directors may be granted a reasonable per diem allowance in lieu of detailed accounting for some of these expenses, or may be advanced funds

therefore. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members, or the service by the director or close relative shall be certified by the Board of Directors as an emergency measure. The term “close relative”, as used herein, applies to the following relationships, whether by blood or marriage: son, daughter, mother, father, sister, brother, spouse, stepfather, stepmother, stepson, stepdaughter, half-sister, and half-brother.

**Section 6. Policies, Rules and Regulations.**

The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative. Such policies, rules and regulations shall be binding upon all members provided that with respect to any changes or additions after March 15, 1986, the members receive notice of the substance of the changes to the policies, rules and regulations. For purposes of this section, notice shall be deemed sufficient if it is mailed to the member at the member’s address as it appears on the records of the Cooperative, postage duly prepaid, or if it is published in a newsletter sent by the Cooperative to its members, in the *WISCONSIN ENERGY COOPERATIVE NEWS*, or in another newspaper circulated in the service area of the Cooperative, or, with the member’s consent, if it is sent electronically.

**Section 7. Accounting System and Reports.**

The Board of Directors shall cause to be established and maintained a complete accounting system, which, subject to applicable laws—regulations and lender requirements, shall accurately reflect the financial condition of the Cooperative and conform to generally accepted accounting principles. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next succeeding annual meeting.

**Section 8. Change in Rates.**

Written notice of any proposed change in the rates charged by the Cooperative for electric energy shall be as required by applicable law, regulation or contract. This requirement shall not be construed to require any prior notification for changes resulting from any automatic fuel clause or purchased power cost adjustment. Notice may be given by electronic mail or other electronic means to a member who has elected electronic billing or otherwise consented to electronic notifications.

**Section 9. Removal of Director by Members.**

Any member may bring charges against a director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members, may request the removal of such director by reason thereof. The director shall be informed in writing of the charges as soon as practicable after receipt

of the petition, and he or she shall then have 15 days to advise the Board of Directors if he or she intends to contest the matter. If the director does not elect to contest the matter, he or she may be removed by action of the Board at its next meeting. If the director elects to contest the matter or if the Board after considering the matter does not act to remove the director, it shall be the duty of the Chairman or the Board of Directors to call a special meeting of the members to hear the charges within 90 days of the receipt of the petition. The director shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the director shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members. The director may be removed by the vote of a majority of members voting. Any vacancy created by such removal shall be filled as provided in Section 4, above.

## **ARTICLE V MEETINGS OF DIRECTORS**

### **Section 1. Regular Meetings.**

A regular meeting of the Board of Directors for the purpose of electing officers shall be held without notice immediately after and at the same place as the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within any county in or adjacent to the area served by the Cooperative as designated by the Board of Directors. 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 Chairman or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided. The Chairman or directors calling the meeting shall fix the time and place for the holding of the meeting within any county in or adjacent to the area served by the Cooperative.

### **Section 3. Notice.**

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

#### **Section 4. Quorum.**

The majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board of Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. One day's notice by telephone of such adjourned meeting shall be sufficient for purposes of this section. 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, except as otherwise provided by law, the articles of incorporation, or these bylaws.

## **ARTICLE VI OFFICERS**

#### **Section 1. Number.**

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, 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 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 meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until a successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of their term.

#### **Section 3. Removal of Officers and Agents by the Board.**

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

#### **Section 4. Chairman.**

The Chairman shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board of Directors.
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, and may 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 perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

### **Section 5. Vice Chairman.**

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

### **Section 6. Secretary.**

Subject to the Board's delegation of specific responsibilities to management, the Secretary shall:

- (a) keep the minutes of the meetings of the members and the Board of Directors in books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) safekeep the corporate books and records and the seal of the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the Chairman, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members;
- (f) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnish a copy of the bylaws and of all amendments thereto to any member upon request; and
- (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board.

### **Section 7. Treasurer.**

Subject to the Board's delegation of specific responsibilities to management, the Treasurer shall be responsible for:

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

**Section 8. Chief Executive Officer.**

The Board of Directors may 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 hold such title, perform such duties and exercise such authority as the Board of Directors may from time to time prescribe.

**Section 9. Bonds of Officers.**

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

**Section 10. Reports.**

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

**Section 11. Executive Committee**

In its discretion, the Board of Directors may from time to time appoint an Executive Committee. The Committee shall consist of the officers of the Board and such other directors as the Board may choose to appoint. The Committee shall have such powers as the Board may specifically delegate to it. Unless the Board shall determine that the Committee shall have lesser powers, when the Board is not in session the Committee shall have the authority to exercise all powers of the Board except apportionment or distribution of proceeds, filling of vacancies on the Board, election of officers and hiring or termination of the chief executive officer.

**ARTICLE VII  
FINANCIAL TRANSACTIONS**

**Section 1. Contracts.**

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

**Section 2. Checks, Drafts, Etc.**

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

### **Section 3. Deposits and Investments.**

All funds except petty cash of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select. Nothing herein shall be deemed to prohibit the Board from extending loans to members for proper purposes in the interest of the Cooperative.

### **Section 4. Fiscal Year.**

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

## **ARTICLE VIII NON-PROFIT OPERATION**

### **Section 1. Interest or Dividends on Capital Prohibited.**

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

### **Section 2. Patronage Capital in Connection with Furnishing Electric Energy.**

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

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be apportioned among the various



classes of business on a total patronage basis and shall be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons within such business classifications on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

### **Section 3. Patronage Refunds in Connection with Furnishing Other Service.**

In the event that the Cooperative should engage to a substantial extent (as determined by the Board in its reasonable judgment) in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned or allocated to those patrons, members or non-members alike, from whom such amounts were obtained.

### **Section 4. Unallocated Reserves.**

Notwithstanding anything to the contrary in this Article, the Board of Directors, in its discretion, may in any year credit to unallocated surplus or reserves of the Cooperative a portion of the net proceeds not exceeding the amount of margins from any subsidiaries of the Cooperative and other non-operating margins of the Cooperative, but not including patronage capital from its cooperative lenders.

### **Section 5. Classification of Business.**

With respect to the furnishing of electric energy, and the allocation of capital credits in connection therewith, the Board of Directors may classify the business done by the Cooperative with all of its patrons into classes of business and patronage. Such classifications shall be based on factors relating to the cost of rendering service and the rates lawfully chargeable in connection therewith in accordance with reasonable accounting, engineering and utility standards and practice. The Board of Directors may apply to such classes of business formulas designed to equitably determine for each class so established any amounts paid by patrons within such class in excess of the costs of service for such class. In developing such formulas and in determining the respective amounts of capital so furnished by all patrons within such classes, the Board shall give regard to the level of capital contributed by each such class of business during the current or any prior fiscal year so as to equitably adjust the aggregate capital accounts between and among classes of business.

If the receipts from every class of business in any year exceed the costs and expenses allocable and chargeable thereto, then the excess of receipts over expenses for each class of business shall be allocable to each such class as capital credits and to patrons within each such class on a dollar patronage basis. If, however, the costs and expenses chargeable or allocable against any one or more classes of business exceed the receipts from all patrons within such class or classes of business, then such deficit shall be charged against the patronage margins otherwise assignable to any remaining class or classes of business, on a dollar volume patronage basis, so that in no year shall there be credited to patrons as patronage capital an amount greater than the excess of receipts from all patrons over the costs and expenses of doing business

with all patrons. All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to, any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. In the event patronage from any patron falls into two or more classes of business, capital credits assigned to such patron shall be the net amount of the capital credits determined after debiting and crediting such patron's account with all patronage debits and credits from all such classes of business.

**Section 6. Retirement of Patronage Capital on Dissolution or Liquidation or Prior Thereto on Revolving Basis.**

In the event of the dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative shall not be impaired thereby the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine under rules of general application the method, basis, priority and order of retirement, if any, for all amounts theretofore or thereafter furnished as capital.

**Section 7. Assignment of Patronage Capital.**

Except as provided in Sections 9 and 10 hereof, capital credited to the account of each patron 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 a part of such patron's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

**Section 8. Prior Retirement of Estates of Deceased Patrons.**

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

### **Section 9. Prior Retirement or Purchase in the Event of Exchange or Acquisition of Utility Properties.**

Notwithstanding any other provision of this article relating to retirement of capital credits, in the event of an exchange of utility property and patrons with another cooperative or utility, or in the event the Cooperative should acquire any public utility which it has been serving at wholesale, the Board of Directors is authorized under rules of general application to forthwith retire capital credited to such former retail or wholesale patrons, or to purchase for the treasury of the Cooperative such capital so credited, upon such terms and conditions as the Board shall determine.

### **Section 10. Security Interest in Patronage Capital.**

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

### **Section 11. Assignment for Educational or Charitable Purposes.**

Any patron may assign all or any portion of the patronage capital now or hereafter expected to be credited to his or her account pursuant to this Article to the Cooperative, in trust, to be used only for Federated Youth Foundation, Inc., a charitable tax exempt organization, or to such other tax exempt charitable organization approved by the Board of Directors as may be designated by the assignor or, in the absence of such designation by the assignor, designated by the Board, effective as of the date of assignment, subject to the Cooperative's prior lien for unpaid charges under Section 10 of this Article.

### **Section 12. Forfeiture of Unclaimed Funds.**

- (a) The Cooperative shall effect the forfeiture of all unclaimed funds, including all forms of distributions or capital credits, membership fees, deposits, and dividends, and shall do the following in connection therewith:
- (1) No earlier than three years and no later than five years after the funds are first made available to the owners, the Board of Directors shall declare the funds forfeited to the Cooperative unless claimed by a specific date.
  - (2) After the declaration of forfeiture, the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least 60 days after the mailing of the notice.
  - (3) The notice under paragraph (2) shall be mailed to the last known address of each owner and shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.

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

### **Section 13. Subscriptions to *WISCONSIN ENERGY COOPERATIVE NEWS*.**

The Cooperative, through action of its Board of Directors, is authorized in the name and behalf of each member of the Cooperative to subscribe to the WISCONSIN ENERGY COOPERATIVE NEWS. The expense of the subscriptions for all members, at such rate as the Board of Directors may from time to time establish, shall be charged to the aggregate of capital deposited by members under Section 2 of this Article for electric service in the same manner as are charged other appropriate expenses of the Cooperative.

### **Section 14. Contractual Obligations.**

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

## **ARTICLE IX DISPOSITION OF PROPERTY**

### **Section 1. Merger or Disposition of Property.**

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease, or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of

Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative; and provided, further, that by the affirmative vote of not less than two-thirds (2/3) of the members voting on the proposition at a meeting duly noticed and held to consider it, the Cooperative may merge or consolidate with another rural electric cooperative.

**Section 2. Disposition of Offer to Purchase.**

If the Cooperative shall at any time receive an offer to purchase, lease, or otherwise acquire all or any substantial portion of its property, the Board of Directors is authorized to determine, in its sole discretion, after considering what it believes to be in the best interests of the Cooperative and its members, whether or not to submit the offer to the membership pursuant to Section 1, above. Among other factors, the Board may consider what it believes would be the effect of the proposed transaction on the present and future adequacy and cost of service for members, and the effects on employees, suppliers, and the communities in which the Cooperative operates.

**ARTICLE X  
INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES**

To the extent permitted by law, the Cooperative shall indemnify an individual against liability and expenses incurred in any proceeding in which the individual was joined as a party because of his or her service at any time as an officer or director of this Cooperative or any predecessor hereto, and shall indemnify employees to the same extent permitted for officers and directors. Entitlement to indemnification shall be determined by majority vote of the disinterested directors. If a quorum cannot be obtained, then the determination shall be made by majority vote of a committee duly appointed by the Board of Directors, or by independent legal counsel selected by the Board. The Board may refer the matter to the members for their determination by majority vote at a meeting of the disinterested members duly called and held.

**ARTICLE XI  
MISCELLANEOUS**

**Section 1. Waiver of Notice.**

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

## **Section 2. Membership in Other Organizations.**

The Cooperative shall not become a member of any other organization without a two-thirds (2/3) vote of the Board of Directors or an affirmative vote of the members at a meeting called as provided in these bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business. On such a two-thirds (2/3) vote the Board may also delegate to the chief executive officer general authority to join civic, business and similar organizations in the ordinary course of the Cooperative's operations. The Board of Directors shall advise the members, at the next membership meeting, of all organizations joined pursuant to action of the Board of Directors since the last membership meeting where, in the Board's judgment, membership is likely to entail a significant investment of cooperative funds or resources.

## **Section 3. 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, Wisconsin".

## **Section 4. Dispute Resolution.**

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

## **ARTICLE XII AMENDMENTS**

These bylaws may be altered, amended or repealed by a majority of the members of the Cooperative voting at any annual or special meeting, provided, however, that these bylaws shall not be altered, amended or repealed at any meeting of the members unless notice of the purpose of such alterations, amendments or repeal shall have been contained in the notice of such meeting, and provided, further, that the required majorities set forth in Article IX may not be amended by vote of less than that majority proposed to be amended. Any amendment offered from the floor at any such meeting which is germane to any amendment or resolution specified or referred to in the notice of the meeting may be acted upon with the same force and effect as though set forth in the notice of the meeting.

## **STATEMENT OF NON-DISCRIMINATION**

Adams-Columbia Electric Cooperative from time to time may be a recipient of federal financial assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture. In accordance with federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Martin A. Hillert, Jr., Chief Executive Officer of Adams-Columbia Electric Cooperative. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discriminatory action, or by such later date to which the Secretary of Agriculture or the Administrator of RUS extends the time for filing. Identity of complaints will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations of the U.S. Department of Agriculture.

